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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)

MAJOR AND CONNECTED TRANSACTION ACQUISITION OF ASSETS

THE PROPOSED ACQUISITIONS

The Board announces that on 16 June 2025, the following agreements have been entered into by the Group for the purpose of acquiring certain heat production assets from the Controlling Shareholder Group:

- (a) the Assets Transfer Agreement I entered into between the Company and Changre Group in relation to the Proposed Acquisition I at the Consideration I of RMB166,487,839.71;
- (b) the Assets Transfer Agreement II entered into between Yatai Heating and Changre Group in relation to the Proposed Acquisition II at the Consideration II of RMB41,710,863.00; and
- (c) the Assets Transfer Agreement III entered into between the Company and Jilin Heating in relation to the Proposed Acquisition III at the Consideration III of RMB475,980.76.

LISTING RULES IMPLICATIONS

Reference is made to the Company's circular dated 9 December 2024 and announcement dated 15 January 2025 in relation to the 2024 Assets Transfer Agreement.

Pursuant to Chapters 14 and 14A of the Listing Rules, the transactions contemplated under the 2024 Assets Transfer Agreement and the Assets Transfer Agreements shall be aggregated because all the agreements are entered into by the Group and the Controlling Shareholder Group within a 12-month period and all the transactions involve the acquisition of assets which were used by the Controlling Shareholder Group for heat production purposes.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisitions and the 2024 Acquisition on an aggregated basis exceed(s) 25% but all of them are less than 100%, the Proposed Acquisitions when aggregated with the 2024 Acquisition constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

Given that (i) Changre Group is a controlling shareholder of the Company holding approximately 69.75% of the total share capital of the Company as at the date of the Assets Transfer Agreements, Changre Group is a connected person of the Company; and (ii) Jilin Heating, being a wholly-owned subsidiary of Changre Group, is a connected person of the Company, each of the Proposed Acquisitions constitutes a connected transaction for the Company 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 in respect of the Proposed Acquisitions and the 2024 Acquisition, on an aggregated basis, exceed(s) 5%, the Proposed Acquisitions when aggregated with the 2024 Acquisition is subject to the reporting, announcement and independent 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 Assets Transfer Agreements 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 Assets Transfer Agreements and the transactions contemplated thereunder.

A circular containing, among others, (1) further details of the Assets Transfer Agreements; (2) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Assets Transfer Agreements; (3) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Assets Transfer Agreements; (4) the valuation report on the Target Assets; and (5) further information required to be disclosed under the Listing Rules, is expected to be despatched (if requested) to the Shareholders on or before 25 July 2025 to allow sufficient time to finalize the contents of the circular.

I. INTRODUCTION

The Board announces that on 16 June 2025, (a) the Company and Changre Group, a controlling shareholder of the Company, entered into the Assets Transfer Agreement I, pursuant to which the Company has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell, the Target Assets I in accordance with the terms and conditions of the Assets Transfer Agreement I; (b) Yatai Heating, a wholly-owned subsidiary of the Company and Changre Group, a controlling shareholder of the Company, entered into the Assets Transfer Agreement II, pursuant to which Yatai Heating has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell, the Target Assets II in accordance with the terms and conditions of the Assets Transfer Agreement II; and (c) the Company and Jilin Heating, a wholly owned subsidiary of Changre Group, entered into the Assets Transfer Agreement III, pursuant to which the Company has conditionally agreed to purchase, and Jilin Heating has conditionally agreed to sell, the Target Assets III in accordance with the terms and conditions of the Assets Transfer Agreement III.

II. THE ASSETS TRANSFER AGREEMENTS

A. The Assets Transfer Agreement I

Set out below are the major terms of the Assets Transfer Agreement I:

(i) *Date*

16 June 2025

(ii) *Parties*

(a) The Company, as the purchaser

(b) Changre Group, as the vendor

(iii) *Assets to be acquired*

Pursuant to the Assets Transfer Agreement I, the Company has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell, the Target Assets I, subject to the terms and conditions therein.

The Target Assets I comprise certain land, structures, machineries and equipment, pipe networks and vehicle currently used by Changre Group for heat production purposes. According to the information provided by Changre Group, the book value of the Target Assets I amounted to RMB89,572,404.85 as at the Valuation Date.

Changre Group warrants that the Target Assets I are free from any pledges or title defects.

Changre Group further warrants that Changre Group will indemnify the Company in the event the Company suffers losses due to defects in the ownership of the underlying assets in which the Target Assets I currently situate.

Changre Group further confirms that it has commenced the process of obtaining the ownership certificates for some of the buildings in which the Target Assets I currently situate and once such ownership certificates have been obtained, Changre Group shall promptly assist the Company in changing the registration of the property ownership and land use rights of such buildings to the Company's name.

In the event where the failure to obtain the ownership certificates renders any of the Target Assets I being identified as illegal buildings or demolished, Changre Group shall indemnify the Company with the portion of consideration paid by the Company which is attributable to such assets together with interests accrued.

(iv) *Consideration*

The Consideration I for the Proposed Acquisition I is RMB166,487,839.71, which shall be satisfied by the Company in cash on the Completion Date I.

The Consideration I has been arrived at after arm's length negotiations between the Company and Changre Group with reference to the total appraised value of the Target Assets I of RMB166,487,839.71 as at the

Valuation Date as stated in the assets valuation report prepared by the Valuer, using the cost method. The Group intends to finance the Consideration I by its existing internal resources.

Having considered the factors taken into account by the parties in arriving at the Consideration I and the valuation methods and assumptions adopted by the Valuer, the Directors (excluding (a) Mr. Song Chi who is required under the Listing Rules and the Articles of Association to abstain from voting at the relevant Board meeting; 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) are of the view that the Consideration I is fair and reasonable and the Proposed Acquisition I is in the interests of the Company and the Shareholders as a whole.

(v) *Conditions precedent*

Completion of the Proposed Acquisition I is conditional upon the following conditions having been fulfilled:

- (a) Changre Group having completed the applicable internal decision-making procedure in respect of the Assets Transfer Agreement I and the transactions contemplated thereunder in accordance with the requirements of its articles of association;
- (b) the Assets Transfer Agreement I and the transactions contemplated thereunder having been approved by the Board and the Shareholders at general meeting of the Company in accordance with the requirements of the Listing Rules, the Articles of Association and applicable laws and regulations; and
- (c) (where applicable) as regards the entering into and performance of the Assets Transfer Agreement I, each of Changre Group and the Company having obtained and completed all necessary consents, approvals and filings from or with any relevant governmental or regulatory authorities in the PRC, Hong Kong or other jurisdictions.

None of the conditions above may be waived (whether in whole or in part) by either party.

(vi) *Completion*

Upon the fulfilment of all of the conditions precedent set out in the Assets Transfer Agreement I, completion of the Proposed Acquisition I shall take place on the Completion Date I.

With effect from the Completion Date I, all interests, rights and obligations attached to the Target Assets I shall be transferred from Changre Group to the Company.

B. The Assets Transfer Agreement II

Set out below are the major terms of the Assets Transfer Agreement II:

(i) *Date*

16 June 2025

(ii) *Parties*

(a) Yatai Heating, as the purchaser

(b) Changre Group, as the vendor

(iii) *Assets to be acquired*

Pursuant to the Assets Transfer Agreement II, Yatai Heating has conditionally agreed to purchase, and Changre Group has conditionally agreed to sell, the Target Assets II, subject to the terms and conditions therein.

The Target Assets II comprise certain structures, machineries and equipment currently used by Changre Group for heat production purposes. According to the information provided by Changre Group, the book value of the Target Assets II amounted to RMB31,601,350.02 as at the Valuation Date.

Pursuant to the Assets Transfer Agreement II, upon completion of the Proposed Acquisition II, Yatai Heating will be granted a right of use of the premises which the Target Assets II currently situate at nil consideration.

Changre Group warrants that the Target Assets II are free from any pledges or title defects.

Changre Group further warrants that Changre Group will indemnify Yatai Heating in the event Yatai Heating suffers losses due to defects in the ownership of the underlying assets in which the Target Assets II currently situate.

Changre Group further confirms that it has commenced the process of obtaining the ownership certificates for some of the buildings in which the Target Assets II currently situate and once such ownership certificates have been obtained, Changre Group shall promptly assist Yatai Heating in changing the registration of the property ownership and land use rights of such buildings to Yatai Heating's name.

In the event where the failure to obtain the ownership certificates renders any of the Target Assets II being identified as illegal buildings or demolished, Changre Group shall indemnify Yatai Heating with the portion of consideration paid by Yatai Heating which is attributable to such assets together with interests accrued.

(iv) *Consideration*

The Consideration II for the Proposed Acquisition II is RMB41,710,863.00, which shall be satisfied by Yatai Heating in cash on the Completion Date II.

The Consideration II has been arrived at after arm's length negotiations between Yatai Heating and Changre Group with reference to the total appraised value of the Target Assets II of RMB41,710,863.00 as at the Valuation Date as stated in the assets valuation report prepared by the Valuer, using the cost method. The Group intends to finance the Consideration II by its existing internal resources.

Having considered the factors taken into account by the parties in arriving at the Consideration II and the valuation methods and assumptions adopted by the Valuer, the Directors (excluding (a) Mr. Song Chi who is required under the Listing Rules and the Articles of Association to abstain from voting at the relevant Board meeting; 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) are of the view that the Consideration II is fair and reasonable and the Proposed Acquisition II is in the interests of the Company and the Shareholders as a whole.

(v) *Conditions precedent*

Completion of the Proposed Acquisition II is conditional upon the following conditions having been fulfilled:

- (a) Changre Group having completed the applicable internal decision-making procedure in respect of the Assets Transfer Agreement II and the transactions contemplated thereunder in accordance with the requirements of its articles of association;
- (b) the Assets Transfer Agreement II and the transactions contemplated thereunder having been approved by the board of directors of Yatai Heating, the Board and the Shareholders at general meeting of the Company in accordance with the requirements of the Listing Rules, the Articles of Association and applicable laws and regulations; and
- (c) (where applicable) as regards the entering into and performance of the Assets Transfer Agreement II, each of Changre Group and Yatai Heating having obtained and completed all necessary consents, approvals and filings from or with any relevant governmental or regulatory authorities in the PRC, Hong Kong or other jurisdictions.

None of the conditions above may be waived (whether in whole or in part) by either party.

(vi) *Completion*

Upon the fulfilment of all of the conditions precedent set out in the Assets Transfer Agreement II, completion of the Proposed Acquisition II shall take place on the Completion Date II.

With effect from the Completion Date II, all interests, rights and obligations attached to the Target Assets II shall be transferred from Changre Group to Yatai Heating.

C. The Assets Transfer Agreement III

Set out below are the major terms of the Assets Transfer Agreement III:

(i) *Date*

16 June 2025

(ii) *Parties*

(a) The Company, as the purchaser

(b) Jilin Heating, as the vendor

(iii) *Assets to be acquired*

Pursuant to the Assets Transfer Agreement III, the Company has conditionally agreed to purchase, and Jilin Heating has conditionally agreed to sell, the Target Assets III, subject to the terms and conditions therein.

The Target Assets III comprise certain machineries and equipment currently used by Jilin Heating for heat production purposes. According to the information provided by Jilin Heating, the book value of the Target Assets III amounted to RMB212,031.89 as at the Valuation Date.

Pursuant to the Assets Transfer Agreement III, upon completion of the Proposed Acquisition III, the Company will be granted a right of use of the premises which the Target Assets III currently situate at nil consideration.

Jilin Heating warrants that the Target Assets III are free from any pledges or title defects.

Jilin Heating further warrants that Jilin Heating will indemnify the Company in the event the Company suffers losses due to defects in the ownership of the underlying assets in which the Target Assets III currently situate.

(iv) *Consideration*

The Consideration III for the Proposed Acquisition III is RMB475,980.76, which shall be satisfied by the Company in cash on the Completion Date III.

The Consideration III has been arrived at after arm's length negotiations between the Company and Jilin Heating with reference to the total appraised value of the Target Assets III of RMB475,980.76 as at the Valuation Date as stated in the assets valuation report prepared by the Valuer, using the cost method. The Group intends to finance the Consideration III by its existing internal resources.

Having considered the factors taken into account by the parties in arriving at the Consideration III and the valuation methods and assumptions adopted by the Valuer, the Directors (excluding (a) Mr. Song Chi who is required under the Listing Rules and the Articles of Association to abstain from voting at the relevant Board meeting; 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) are of the view that the Consideration III is fair and reasonable and the Proposed Acquisition III is in the interests of the Company and the Shareholders as a whole.

(v) *Conditions precedent*

Completion of the Proposed Acquisition III is conditional upon the following conditions having been fulfilled:

- (a) Jilin Heating having completed the applicable internal decision-making procedure in respect of the Assets Transfer Agreement III and the transactions contemplated thereunder in accordance with the requirements of its articles of association;
- (b) the Assets Transfer Agreement III and the transactions contemplated thereunder having been approved by the Board and the Shareholders at general meeting of the Company in accordance with the requirements of the Listing Rules, the Articles of Association and applicable laws and regulations; and
- (c) (where applicable) as regards the entering into and performance of the Assets Transfer Agreement III, each of Jilin Heating and the Company having obtained and completed all necessary consents, approvals and filings from or with any relevant governmental or regulatory authorities in the PRC, Hong Kong or other jurisdictions.

None of the conditions above may be waived (whether in whole or in part) by either party.

(vi) Completion

Upon the fulfilment of all of the conditions precedent set out in the Assets Transfer Agreement III, completion of the Proposed Acquisition III shall take place on the Completion Date III.

With effect from the Completion Date III, all interests, rights and obligations attached to the Target Assets III shall be transferred from Jilin Heating to the Company.

III. REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITIONS

The Company is mainly engaged in heating service business and the Controlling Shareholder Group also engages in, among others, heat production and supply, where the Group has been procuring heat from the Controlling Shareholder Group pursuant to the 2024–2026 Heat Procurement Framework Agreement (Changre Group) which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Proposed Acquisitions involve the acquisition of the Target Assets which are used for heat production purposes by the Group from the Controlling Shareholder Group. Upon completion of the Proposed Acquisitions, the Target Assets will be solely operated, maintained and supervised by the Group's employees. The Company is of the view that the Proposed Acquisitions would facilitate the integration of heat production resources between the Group and the Controlling Shareholder Group which in turn could enhance uniform management and operation of heat production resources.

In addition, given the Target Assets are located in the Group's core markets for heat supply, the Proposed Acquisitions enable the Group to realize the upgrading of its strategic layout, improve its heating industry supply chain and enhance its market competitiveness.

Furthermore, upon completion of the Proposed Acquisitions, the Group will be able to increase its capabilities on heat source protection, significantly reduce the amount of continuing connected transactions between the Group and the Controlling Shareholder Group as well as minimize any potential competition between the Group and the Controlling Shareholder Group, which in turn is beneficial to the Group's overall strategic development.

Based on the above, the Directors (excluding (a) Mr. Song Chi who is required under the Listing Rules and the Articles of Association to abstain from voting at the relevant Board meeting; 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 that the terms of each of the Assets Transfer Agreements are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IV. FURTHER INFORMATION ON THE COMPANY, YATAI HEATING, CHANGRE GROUP AND JILIN HEATING

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.

Yatai Heating is a limited liability company established in the PRC on 30 October 1998 and is a wholly-owned subsidiary of the Company. Yatai Heating is principally engaged in the heat services business which adopts a heating supply method which combines the purchase of heat from cogeneration plants and coal-fired boilers.

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.

Jilin Heating is a limited liability company established in the PRC on 26 December 2016 and is a wholly-owned subsidiary of Changre Group. Jilin Heating is principally engaged in heat production and supply.

V. LISTING RULES IMPLICATIONS

Given that (i) Changre Group is a controlling shareholder of the Company holding approximately 69.75% of the total share capital of the Company as at the date of the Assets Transfer Agreements, Changre Group is a connected person of the Company; and (ii) Jilin Heating, being a wholly-owned subsidiary of Changre Group, is a connected person of the Company, each of the Proposed Acquisitions constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

(a) The Proposed Acquisition I

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition I on a standalone basis exceed(s) 25% but all of them are less than 100%, the Proposed Acquisition I constitutes a major transaction for the Company under Chapter 14 of the Listing Rules on a standalone basis and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition I exceed(s) 5%, the Proposed Acquisition I is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(b) The Proposed Acquisition II

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition II on a standalone basis exceed(s) 5% but all of them are less than 25%, the Proposed Acquisition II constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules on a standalone basis and is therefore subject to the reporting and announcement requirements thereunder.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition II exceed(s) 5%, the Proposed Acquisition II is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(c) The Proposed Acquisition III

As all of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition III on a standalone basis are below 5%, the Proposed Acquisition III does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules on a standalone basis.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition III exceed(s) 0.1% but all of them are less than 5%, the Proposed Acquisition III is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

(d) The Proposed Acquisitions on an aggregated basis

Pursuant to Chapters 14 and 14A of the Listing Rules, the transactions contemplated under the Assets Transfer Agreements shall be aggregated because all the agreements are entered into by the Group and the Controlling Shareholder Group within a 12-month period and all the transactions involve the acquisition of assets which were used by the Controlling Shareholder Group for heat production purposes.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisitions on an aggregated basis exceed(s) 25% but all of them are less than 100%, the Proposed Acquisitions constitute a major transaction for the Company under Chapter 14 of the Listing Rules on an aggregated basis and are therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisitions on an aggregated basis exceed(s) 5%, the Proposed Acquisitions on an aggregated basis is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(e) The Proposed Acquisitions and the 2024 Assets Transfer Agreement on an aggregated basis

Reference is made to the Company's circular dated 9 December 2024 and announcement dated 15 January 2025 in relation to the 2024 Assets Transfer Agreement.

Pursuant to Chapters 14 and 14A of the Listing Rules, the transactions contemplated under the 2024 Assets Transfer Agreement and the Assets Transfer Agreements shall be aggregated because all the agreements are entered into by the Group and the Controlling Shareholder Group within a 12-month period and all the transactions involve the acquisition of assets which were used by the Controlling Shareholder Group for heat production purposes.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisitions and the 2024 Acquisition on an aggregated basis exceed(s) 25% but all of them are less than 100%, the Proposed Acquisitions when aggregated with the 2024 Acquisition constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisitions and the 2024 Acquisition, on an aggregated basis, exceed(s) 5%, the Proposed Acquisitions when aggregated with the 2024 Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

VI. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to each of the Assets Transfer Agreements 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 Assets Transfer Agreements and the transactions contemplated thereunder.

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve, among others, each of the Assets Transfer Agreements 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 Assets Transfer Agreements and the transactions contemplated thereunder at the EGM. As at the date of this announcement, Changre Group holds 325,500,000 Domestic Shares, representing approximately 69.75% of the total share capital of the Company. Changre Group

and its associates will abstain from voting on the resolutions to be proposed at the EGM in respect of each of the Assets Transfer Agreements and the transactions contemplated thereunder at the EGM.

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 in respect of the resolutions in respect of each of the Assets Transfer Agreements and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (1) further details of the Assets Transfer Agreements; (2) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Assets Transfer Agreements; (3) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Assets Transfer Agreements; (4) the valuation report on the Target Assets; and (5) further information required to be disclosed under the Listing Rules, is expected to be despatched (if requested) to the Shareholders on or before 25 July 2025 to allow sufficient time to finalize the contents of the circular.

VII. DEFINITIONS

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

“2024 Acquisition”	the acquisition of assets by the Company from Changre Group pursuant to the 2024 Assets Transfer Agreement
“2024 Assets Transfer Agreement”	the assets transfer agreement dated 1 November 2024 and entered into between the Company and Changre Group, further details of which are disclosed in the Company's circular dated 9 December 2024
“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, details of which are set out in the Company's circular dated 7 November 2023

“Articles of Association”	the articles of association of the Company, as amended from time to time
“Assets Transfer Agreement I”	the assets transfer agreement dated 16 June 2025 and entered into between the Company and Changre Group in relation to the Proposed Acquisition I
“Assets Transfer Agreement II”	the assets transfer agreement dated 16 June 2025 and entered into between Yatai Heating and Changre Group in relation to the Proposed Acquisition II
“Assets Transfer Agreement III”	the assets transfer agreement dated 16 June 2025 and entered into between the Company and Jilin Heating in relation to the Proposed Acquisition III
“Assets Transfer Agreements“	collectively, the Assets Transfer Agreement I, the Assets Transfer Agreement II and the Assets Transfer Agreement III
“Board”	the board of Directors
“Changre Group”	Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司) (formerly known as Changchun Chuncheng Investment Development Group Company Limited* (長春市春城投資發展集團有限公司), a 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 Stock Exchange
“Completion Date I”	such date as agreed by the parties to the Assets Transfer Agreement I after the fulfilment of the conditions precedent as set out in the Assets Transfer Agreement I
“Completion Date II”	such date as agreed by the parties to the Assets Transfer Agreement II after the fulfilment of the conditions precedent as set out in the Assets Transfer Agreement II

“Completion Date III”	such date as agreed by the parties to the Assets Transfer Agreement III after the fulfilment of the conditions precedent as set out in the Assets Transfer Agreement III
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration I”	the consideration payable by the Company to Changre Group for the Proposed Acquisition I
“Consideration II”	the consideration payable by Yatai Heating to Changre Group for the Proposed Acquisition II
“Consideration III”	the consideration payable by the Company to Jilin Heating for the Proposed Acquisition III
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder Group”	Changre Group and its subsidiaries (other than the Group)
“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 extraordinary general meeting of the Company to be convened to consider, and it thought fit, approve, among others, each of the Assets Transfer Agreements and the transactions contemplated thereunder
“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 Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed to advise the Independent Shareholders in relation to each of the Assets Transfer Agreements 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 (Chapter 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 Assets Transfer Agreements and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) who is/are not required under the Listing Rules to abstain from voting on the resolutions for approving, among others, each of the Assets Transfer Agreements and the transactions contemplated thereunder at the EGM
“Jilin Heating”	Jilin Province Heating Group Co., Ltd.* (吉林省熱力集團有限公司), a wholly-owned subsidiary of Changre Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Proposed Acquisition I”	the proposed acquisition of the Target Assets I by the Company from Changre Group pursuant to the terms and conditions of the Assets Transfer Agreement I
“Proposed Acquisition II”	the proposed acquisition of the Target Assets II by Yatai Heating from Changre Group pursuant to the terms and conditions of the Assets Transfer Agreement II

“Proposed Acquisition III”	the proposed acquisition of the Target Assets III by the Company from Jilin Heating pursuant to the terms and conditions of the Assets Transfer Agreement III
“Proposed Acquisitions”	collectively, the Proposed Acquisition I, the Proposed Acquisition II and the Proposed Acquisition III
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Target Assets”	collectively, the Target Assets I, the Target Assets II and the Target Assets III
“Target Assets I”	certain land, structures, machineries and equipment, pipe networks and vehicle currently used by Changre Group for heat production purposes and to be acquired by the Company pursuant to the terms and conditions of the Assets Transfer Agreement I
“Target Assets II”	certain structures, machineries and equipment currently used by Changre Group for heat production purposes and to be acquired by Yatai Heating pursuant to the terms and conditions of the Assets Transfer Agreement II
“Target Assets III”	certain machineries and equipment currently used by Jilin Heating for heat production purposes and to be acquired by the Company pursuant to the terms and conditions of the Assets Transfer Agreement III
“Valuation Date”	17 March 2025

“Valuer”	Jilin Province Gongjian Weiye Real Estate Appraisal Co., Ltd.* (吉林省共建偉業房地產估價有限責任公司), an independent valuer
“Yatai Heating”	Changchun Yatai Heating Co., Ltd.* (長春亞泰熱力有限責任公司), a wholly-owned subsidiary of the Company
“%”	per cent.

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

Jilin, the PRC, 16 June 2025

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 Directors are Mr. Zhang Liming and Mr. Xu Chungang; 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*