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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your securities broker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jilin Province Chuncheng Heating Company Limited***, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, securities broker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**WORK REPORT OF THE DIRECTORS FOR THE YEAR 2023,
WORK REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023,
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023,
FINAL FINANCIAL REPORT FOR THE YEAR 2023,
FINANCIAL BUDGET REPORT FOR THE YEAR 2024,
ANNUAL REPORT FOR THE YEAR 2023,
AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023,
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023,
REMUNERATION PLAN FOR DIRECTORS FOR THE YEAR 2024,
REMUNERATION PLAN FOR SUPERVISORS FOR THE YEAR 2024,
RE-APPOINTMENT OF THE COMPANY'S AUDITOR FOR THE YEAR 2024,
PROPOSED ELECTION OF NEW SESSION OF THE BOARD OF DIRECTORS
AND THE SUPERVISORY COMMITTEE,
PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURE OF THE BOARD,
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING**

The letter from the Board is set out on pages 4 to 15 of this circular.

A notice dated 26 April 2024 convening the AGM to be held at 9 a.m. on Friday, 17 May 2024 at the Conference Room 711, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC is set out on pages 46 to 50 of this circular.

The proxy form for the AGM has been posted to you (if requested) on 26 April 2024. Whether or not you are able to attend the AGM in person, you are requested to complete and return the applicable proxy form in accordance with the instructions printed thereon. In case of H Shareholders, the proxy form must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible; in case of Domestic Shareholders, the proxy form must be lodged with the head office of the Company in the PRC at No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC as soon as possible; but in any event, not less than 24 hours before the time scheduled for holding the relevant meeting (or any adjournment thereof). Completion and delivery of the proxy form will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof if you so desire.

* For identification purposes only

26 April 2024

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DEFINITIONS

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

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| “AGM” or “2023 AGM” | the 2023 annual general meeting to be held by the Company at the Conference Room 711, Chuncheng Heating, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC at 9 a.m. on Friday, 17 May 2024 |
| “Articles of Association” | the articles of association of the Company (as amended, modified or otherwise supplemented from time to time) |
| “Board” | the board of Directors |
| “Chuncheng Investment” | Changchun Chuncheng Investment Development Group Company Limited* (長春市春城投資發展集團有限公司) (formerly known as 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, and a state-owned company (wholly-owned by Changchun SASAC) established in the PRC on 28 April 1998 which held approximately 69.75% of the total share capital of the Company as at the Latest Practicable Date |
| “Changchun SASAC” | 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) |
| “Company” | Jilin Province Chuncheng Heating Company Limited* (吉林省春城熱力股份有限公司), a company incorporated in the PRC on 23 October 2017, is currently a joint stock company, and the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1853) |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Controlling Shareholder Group” | Chuncheng Investment and its subsidiaries (other than the Group) |
| “CSRC” | China Securities Regulatory Commission |
| “Director(s)” | director(s) of the Company |
| “Domestic Share(s)” | domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company |

DEFINITIONS

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|--------------------------------|--|
| “Domestic Shareholder(s)” | holder(s) of Domestic Shares |
| “Group” | the Company and its subsidiaries |
| “H Share(s)” | overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Stock Exchange |
| “H Share Registrar” | Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company |
| “H Shareholder(s)” | holder(s) of H Shares |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Hong Kong dollar(s)” or “HKD” | the lawful currency of Hong Kong, Hong Kong dollars |
| “Issue Mandate” | a general mandate proposed to be granted to the Board by the Shareholders at the AGM to issue not more than 20% of the respective number of Domestic Shares and/or H Shares in issue as at the date of passing the relevant special resolution of the Company, at any time during the period specified in the relevant special resolutions set out in the notice of the AGM, and make corresponding amendments to the Articles of Association as and when deemed appropriate |
| “Latest Practicable Date” | 24 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Main Board” | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| “PBOC” | the People’s Bank of China (中國人民銀行) |
| “PRC” | the People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan) |
| “RMB” | the lawful currency of the PRC, Renminbi, the basic unit of which is “yuan” |

DEFINITIONS

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| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | H Share(s) and Domestic Share(s) |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supervisor(s)” | supervisor(s) of the Company |
| “Supervisory Committee” | the supervisory committee of the Company |
| “Three Supplies and Property” | heat supply, water supply, electricity supply and property management services |
| “Xixing Energy” | Jilin Province Xixing Energy Limited* (吉林省西興能源有限公司), previously known as Changchun FAW Sihuan Kinetic Company Limited* (長春一汽四環動能有限公司), a wholly-owned subsidiary of the Company |
| “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 |

* For identification purpose only

LETTER FROM THE BOARD



Jilin Province Chuncheng Heating Company Limited*

吉林省春城热力股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock code: 1853)

Executive Directors:

Mr. Yang Zhongshi
Mr. Shi Mingjun
Mr. Xu Chungang
Mr. Li Yeji

Independent non-executive Directors:

Mr. Wang Yuguo
Mr. Fu Yachen
Mr. Poon Pok Man

Registered office in the PRC:

No. 28, Block B, Nanhu Road Community
No. 998 Nanhu Road, Nangan District
Changchun City, Jilin Province, the PRC

Head office/Principal Place of

Business in the PRC:

No. 28, Block B, Nanhu Road Community
No. 998 Nanhu Road, Nangan District,
Changchun City, Jilin Province, the PRC

Principal Place of

Business in Hong Kong:

46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

26 April 2024

To the Shareholders,

Dear Sir/Madam,

**WORK REPORT OF THE DIRECTORS FOR THE YEAR 2023,
WORK REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023,
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023,
FINAL FINANCIAL REPORT FOR THE YEAR 2023,
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PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023,
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RE-APPOINTMENT OF THE COMPANY'S AUDITOR FOR THE YEAR 2024,
PROPOSED ELECTIONS OF NEW SESSION OF THE BOARD AND THE
SUPERVISORY COMMITTEE, PROPOSED AMENDMENTS TO THE RULES OF
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LETTER FROM THE BOARD

INTRODUCTION

The purposes of this circular are to give Shareholders the notice of the AGM and information on matters to be dealt with at the AGM, and to provide Shareholders with information in relation to, among others:

- (1) Work report of the Directors for the year 2023;
- (2) Work report of the Independent Directors for the year 2023;
- (3) Work report of the Supervisory Committee for the year 2023;
- (4) Final financial report for the year 2023;
- (5) Financial budget report for the year 2024;
- (6) Annual report for the year 2023;
- (7) Audited financial statements for the year 2023;
- (8) Profit distribution plan for the year 2023;
- (9) Remuneration plan for Directors for the year 2024;
- (10) Remuneration plan for Supervisors for the year 2024;
- (11) Re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the Company's auditor for the year 2024;
- (12) Proposed election of new session of the Board;
- (13) Proposed election of new session of the Supervisory Committee;
- (14) Proposed amendments to the rules of the procedure of the Board; and
- (15) General mandate to the Board for allotting, issuing and dealing with additional Domestic and/or H Shares during the relevant period.

LETTER FROM THE BOARD

ORDINARY RESOLUTIONS

Work report of the Directors for the year 2023

An ordinary resolution will be proposed at the AGM to consider and approve the work report of the Directors for the year 2023, the text of which is set out in the Company's annual report for the year 2023.

Work report of the Independent Directors for the year 2023

An ordinary resolution will be proposed at the AGM to consider and approve the work report of the Independent Directors for the year 2023, the text of which is set out in Appendix I to this circular.

Work report of the Supervisory Committee for the year 2023

An ordinary resolution will be proposed at the AGM to consider and approve the work report of the Supervisory Committee for the year 2023, the text of which is set out in the Company's annual report for the year 2023.

Final financial report for the year 2023

An ordinary resolution will be proposed at the AGM to consider and approve the final financial report for the year 2023, the text of which is set out in Appendix II to this circular.

Financial budget report for the year 2024

An ordinary resolution will be proposed at the AGM to consider and approve the financial budget report for the year 2024, the text of which is set out in Appendix III to this circular.

The annual report for the year 2023

An ordinary resolution will be proposed at the AGM to consider and approve the Company's annual report for the year 2023.

The audited financial statements of the Group as of, and for the year ended 31 December 2023

An ordinary resolution will be proposed at the AGM to approve the Group's audited financial statements as of, and for the year ended 31 December 2023, the text of which is set out in the Company's annual report for the year 2023.

LETTER FROM THE BOARD

Profit distribution plan for the year 2023

According to the Articles of Association, an ordinary resolution will be proposed by the Board at the AGM to approve the profit distribution plan for the year 2023 of the Company.

The Board resolved to propose to the Shareholders of the Company at the 2023 AGM to be held on 17 May 2024, for their consideration and approval of the payment of a final dividend of RMB0.09 per Share (tax inclusive) for the year ended 31 December 2023 (the “**2023 Final Dividends**”) payable to the Shareholders, whose names appear on the register of members of the Company on 5 June 2024, in an aggregate amount of approximately RMB42.00 million. The 2023 Final Dividends will be denominated and declared in RMB. Dividends on Domestic Shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. The amounts distributed in Hong Kong dollar shall be calculated based on the average central parity rates of Hong Kong dollar to RMB as published by the PBOC in the calendar week before the date on which the Company declares such dividends. Subject to the passing of the relevant resolution at the AGM, the 2023 Final Dividends are expected to be paid on or around 5 July 2024.

According to the Articles of Association, the Hong Kong dollars required for the Company to pay cash dividends and other payments to the individual H Shareholders shall be handled in accordance with the PRC foreign exchange administration regulations.

The Company was not aware of any Shareholder who had waived or agreed to waive any dividend arrangement for the year ended 31 December 2023.

(1) Domestic Shareholders

The register of members of the Company in respect of the Domestic Shares will be closed from Thursday, 30 May 2024 to Wednesday, 5 June 2024 (both days inclusive). In order to qualify for receiving the dividends, Domestic Shareholders must lodge the transfer documents accompanied by relevant share certificates with the head office of the Company in the PRC at No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC no later than 4:30 p.m. on Wednesday, 29 May 2024.

According to the relevant regulations of the Individual Income Tax Law of the People’s Republic of China, the Company will withhold and pay an individual income tax at the rate of 20% for natural person Shareholders whose names appear on the register of members of the Company for Domestic Shares on 5 June 2024.

The dividends for Domestic Shareholders without affirmed ownership will be kept temporarily by the Company and distributed upon the confirmation of the ownership.

LETTER FROM THE BOARD

(2) *H Shareholders*

The register of members of the Company in respect of the H Shares will be closed from Thursday, 30 May 2024 to Wednesday, 5 June 2024 (both days inclusive). In order to qualify for receiving the dividends, H Shareholders must lodge the transfer documents accompanied by the relevant share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 29 May 2024.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》), both implemented in 2008, the Company shall be obliged to withhold and pay 10% enterprise income tax when it distributes the 2023 Final Dividends to non-resident enterprise Shareholders of overseas H Shares (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations) whose names appear on the Company's H share register of members on 5 June 2024.

According to regulations by the State Administration of Taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual H Shareholders who are Hong Kong or Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders. If the individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, and judge by themselves that they meet the conditions for entitlement and are entitled to tax treaty treatment according to the announcement of the State Administration of Taxation (2019 No. 35), they are required to truthfully fill in the Information Reporting Form for Non-Resident Taxpayers Claiming Treaty Benefits (《非居民納稅人享受協定待遇信息報告表》), and submit it to the Company on their own initiative. Upon receipt of the information reporting form, if the information filled in by the non-resident taxpayers is confirmed to be complete, the Company shall withhold the tax according to the provisions of domestic tax laws and agreed requirements and faithfully submit the information reporting form to the competent tax authority as an annex for withholding declaration. If the shareholder fails to submit the information reporting form to the Company or reports incomplete information, the Company shall withhold the tax according to the provisions of domestic tax laws. If the individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders.

LETTER FROM THE BOARD

The Company will determine the country of domicile of the individual H Shareholder based on the registered address as recorded in the H share register of members of the Company on 5 June 2024 (the “**Registered Address**”). If the country of domicile of an individual H Shareholder is not the same as the Registered Address or if the individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual H Shareholder shall notify and provide relevant supporting documents to the Company on or before Wednesday, 29 May 2024. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and payment provisions and arrangements. Individual H Shareholders may either personally attend or appoint a representative to attend to the procedures in accordance with the requirements under the tax treaties notice if they do not provide the relevant supporting documents to the Company within the time period stated above.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the H Shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

Shareholders are recommended to consult their taxation advisors regarding their holding and disposing of H Shares of the Company for the PRC, Hong Kong and other tax effects involved.

Remuneration plan for Directors for the year 2024

An ordinary resolution will be proposed at the AGM to authorise and approve the Board to determine the remuneration plan for the Directors for the year ending 31 December 2024 in accordance with the Company’s internal policies and relevant regulatory requirements.

Remuneration plan for Supervisors for the year 2024

An ordinary resolution will be proposed at the AGM to authorise and approve the Board to determine the remuneration plan for the Supervisors for the year ending 31 December 2024 in accordance with the Company’s internal policies and relevant regulatory requirements.

Re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the Company’s auditor for the year 2024

An ordinary resolution will be proposed at the AGM to consider and approve the reappointment of Da Hua Certified Public Accountants (Special General Partnership) as the Company’s auditor for the year 2024 for a term until the conclusion of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration.

Proposed election of new session of the Board of Directors

It has been nearly three years since the second session of the Board was established in May 2021. To ensure orderly and coherent coordination of the works of the Board, the Company will establish the third session of the Board.

LETTER FROM THE BOARD

In order to continuously improve corporate governance and adopt the best practices of corporate governance, and to ensure that the number of independent non-executive Directors represents at least one-third of the Board, it is proposed that the composition of the Board would remain unchanged. As such, the third session of the Board will consist of four executive Directors, one non-executive Director and three independent non-executive Directors, and the total number of Directors will remain at 8. The Company will use its best endeavors to identify suitable candidate to fill the required vacancy of non-executive Director as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate.

In accordance with the relevant provisions of the Company Law of the PRC and the Articles of Association, all Directors of the second session of the Board shall continue to perform their duties as Directors in accordance with the applicable laws and regulations until the election of members of the third session of the Board becomes effective.

The Board currently comprises seven Directors, namely Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang and Mr. Li Yeji as executive Directors; and Mr. Wang Yuguo, Mr. Fu Yachen and Mr. Poon Pok Man as independent non-executive Directors.

Pursuant to the provisions of the Articles of Association, Directors shall be elected or replaced at the shareholders' general meetings to hold for a term of three years. Upon expiration of the term of office, a Director shall be eligible to offer himself for re-election, subject to the requirements of relevant law, regulation and listing rules of stock exchange of the place where the share of the Company was listed as well as the term of office of independent non-executive Directors shall not exceed six years. The term of office of the second session of the Board will expire upon the conclusion of the AGM.

At the forthcoming AGM, all existing Directors whose term of office expires will agree to retire and be eligible for re-election at the AGM. All Directors, except Mr. Wang Yuguo, have each offered themselves for re-election at the AGM.

Mr. Wang Yuguo has notified the Company that he wishes to retire from the Board to pursue other opportunities and accordingly, he will not offer himself for re-election at the AGM. Mr. Wang Yuguo confirmed that he does not have any disagreement with the Board and there is no other matter in relation to their retirement that needs to be brought to the attention of the Shareholders.

In addition, the Board proposes to appoint Ms. Zhang Yan as an independent non-executive Director for the third session of the Board.

The third session of the Board is subject to the approval by the Shareholders at the 2023 AGM. The term of office of Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang, Mr. Li Yeji and Ms. Zhang Yan shall be three years from the date of approval by the Shareholders at the 2023 AGM and the term of office of Mr. Fu Yachen and Mr. Poon Pok Man shall run from the date of approval by the Shareholders at the 2023 AGM until 19 August 2025.

LETTER FROM THE BOARD

Each of Mr. Yachen, Mr. Poon Pok Man and Ms. Zhang Yan has confirmed (a) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (b) that he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined under the Listing Rules) of the Company; and (c) that there are no other factors that may affect his/her independence at the time of his/her proposed appointment.

In considering the re-election/election of the independent non-executive Directors of the Board, the Board has considered the confirmation of independence from each independent non-executive Director and his/her extensive experience in accounting, finance, law and the industry. Their diverse education, skills, backgrounds, knowledge and professional experience enable them to provide valuable and relevant insights and to contribute to the diversity of the Board.

If the above retiring and re-elected/elected Directors are appointed as Directors, they will each enter into a director's service agreement/letter of appointment with the Company upon their appointment. Subject to the provisions of the Articles of Association, the Directors shall be eligible for re-election upon expiry of their term of office (of which independent non-executive Directors shall not hold office for an accumulated period of more than six years).

The biographical details of the Directors who offer themselves for re-election/election at the AGM are set out in Appendix IV to this circular pursuant to Rule 13.74 of the Listing Rules.

Proposed election of new session of the Supervisory Committee

As at the Latest Practicable Date, the Supervisory Committee currently comprised three Supervisors, namely Mr. QIU Jianhua (仇建華, “**Mr. Qiu**”), and Ms. Zhang Wei (張維, “**Ms. Zhang**”) being shareholder representative Supervisors and Ms. Li Xiaoling (李曉玲, “**Ms. Li**”) being employee representative Supervisor. The term of office of the second session of the Supervisory Committee will expire upon the conclusion of the 2023 AGM of the Company.

In accordance with the relevant laws and regulations and the Articles of Association, and to ensure the orderly and coherent coordination of the works of the Supervisory Committee, the Supervisory Committee has proposed that the third session of the Supervisory Committee shall consist of three Supervisors, comprising two shareholder representative Supervisors and one employee representative Supervisor. The shareholder representative Supervisors shall be subject to approval by the Shareholders at the AGM and the employee representative Supervisor shall be appointed at an employee representative meeting of the Company. Upon recommendation from the Chun Cheng Investment, as a controlling shareholder of the Company and nomination from the Supervisory Committee, it is proposed that Mr. Qiu be re-elected as one of the shareholder representative Supervisors of the third session of the Supervisory Committee, subject to approval by the Shareholders at the AGM. Upon the recommendation from Changchun State-owned Capital Investment and Operating Group Co., Ltd.* (長春市國有資本投資運營(集團)有限公司) as a Shareholder and the nomination of the Supervisory Committee, it is proposed that Ms. Zhang be re-elected as a shareholder representative Supervisor of the third session of the Supervisory Committee, subject to approval by the Shareholders at the AGM. Ms. Li has been re-elected as the

LETTER FROM THE BOARD

employee representative Supervisor of the third session of the Supervisory Committee at an employee representative meeting of the Company. The third session of the Supervisory Committee will comprise Mr. Qiu, Ms. Zhang and Ms. Li, subject to the Shareholders' approval as aforesaid.

In accordance with the relevant provisions of the Company Law of the PRC and the Articles of Association, all Supervisors of the second session of the Supervisory Committee shall continue to perform their duties as Supervisors in accordance with the applicable laws and regulations until the election of the members of the third session of the Supervisory Committee becomes effective, the term of office of Supervisors shall be three years, renewable upon re-election and re-appointment.

The biographical details of the Supervisors who offer themselves for election/re-election at the AGM are set out in Appendix IV to this circular.

Proposed amendments to the Rules of Procedure of the Board

In order to comply with the relevant provisions of the Company Law of the People's Republic of China and other laws and regulations, and the relevant requirements of the Articles of Association, and taking into account the actual situation of the Company, the Company intends to approve the amendments to the Rules of Procedure of the Board at the AGM.

The proposed amendments are set out in Appendix V to this circular. Save for the proposed amendments set out in Appendix V, the remaining provisions of the Rules of Procedure of the Board shall remain unchanged.

The proposed amendments to the Rules of Procedure of the Board are subject to the approval at the AGM of the Company by way of ordinary resolution. The amended Rules of Procedure of the Board shall become effective on the date of passing the relevant resolution at the AGM of the Company. The existing Rules of Procedure of the Board of the Company shall continue to be effective until the relevant resolution is passed at the AGM.

SPECIAL RESOLUTION

General mandate to the Board to issue additional Domestic Shares and/or H Shares

A special resolution will be proposed at the AGM that the Board be granted the Issue Mandate to exercise the power of the Company to allot, issue or otherwise deal with new Shares (apart from the issue of Shares by conversion of the surplus reserve into the share capital in accordance with the Company Law of the PRC and the Articles of Association) not more than 20% of the respective number of Domestic Shares and/or H Shares in issue as of the date of passing this special resolution, and to authorize the Board to make amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the allotment or issue of additional shares pursuant to such mandate.

LETTER FROM THE BOARD

The numbers of Domestic Shares and H Shares in issue of the Company as of the Latest Practicable Date were 350,000,000 Domestic Shares and 116,700,000 H Shares, respectively. Assuming that the number of Shares remains unchanged as at the date of passing this special resolution, the Board will be allowed under the Issue Mandate to issue a maximum of 70,000,000 Domestic Shares and 23,340,000 H Shares, subject to the passing of the special resolution approving the grant of the Issue Mandate to the Board. Meanwhile, the Board is authorized to make necessary amendments to the Articles of Association so as to reflect the new share capital structure upon the allotment or issue of additional Shares pursuant to such mandate.

The Directors believe that it is in the best interests of the Company and the Shareholders to grant the Issue Mandate to the Board to issue new Shares. Whilst it is not possible to anticipate in advance any specific circumstances in which the Board might think it appropriate to issue Shares, the ability to do so would give the Directors the flexibility to capture the opportunity if it so arises.

The Issue Mandate would expire on the earliest of: (a) the conclusion of the next annual general meeting following the passing of this special resolution; (b) 12 months from the date of passing of this special resolution; or (c) the date on which the authorization set out in this special resolution are revoked or amended by a special resolution in a general meeting of the Company.

THE AGM

The Company will convene the AGM at 9 a.m. on Friday, 17 May 2024 at the Conference Room 711, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC to consider and, if thought fit, to pass resolutions in respect of the matters set out in the notice of the AGM. A form of proxy has been dispatched (if requested) to the Shareholders in accordance with the Listing Rules on 26 April 2024. The notice of the AGM is set out on pages 46 to 50 of this circular.

Whether or not you intend to attend and/or vote at the AGM, you are requested to complete and return the form of proxy in accordance with the instruction printed thereon.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy should be returned to the H Share Registrar, Computershare Hong Kong Investor Services Limited, and for Domestic Shareholders, the form of proxy should be returned to the head office of the Company in the PRC in person or by post as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof.

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

LETTER FROM THE BOARD

VOTING BY POLL AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 78 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she has in the same manner.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the AGM, the register of members of the Company will be closed from Monday, 13 May 2024 to Friday, 17 May 2024 (both days inclusive), during which period no transfer of Shares of the Company will be effected.

To be eligible to attend and vote at the AGM, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the head office of the Company in the PRC at No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on Friday, 10 May 2024.

In order to ascertain the entitlements of the Shareholders to receive the proposed 2023 Final Dividends, the register of members of the Company will be closed from Thursday, 30 May 2024 to Wednesday, 5 June 2024 (both days inclusive), during which period no transfer of shares of the Company will be effected.

To be eligible to receive the proposed 2023 Final Dividends, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the head office of the Company in the PRC at No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on Wednesday, 29 May 2024.

RECOMMENDATION

The Board (including independent non-executive Directors) considers that each of the ordinary resolutions number (1) to (14) and special resolution number (15) to be proposed at the AGM is in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favour of ordinary resolutions number (1) to (14) and special resolution number (15) to be proposed at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully

On behalf of the Board of

Jilin Province Chuncheng Heating Company Limited*

YANG Zhongshi

Vice chairman

Jilin, the PRC, 26 April 2024

Dear Shareholders,

We, as the Independent Directors of the 2nd Session of the Board of Jilin Province Chuncheng Heating Company Limited* (the “**Company**”), have performed our duties diligently, actively participated in the Company’s decision-making and played a positive role in improving the Company’s governance structure and regulating its operation in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other laws and regulations, as well as the provisions of the securities trading market and regulatory authorities and the provisions of the Articles of Association during our tenure in 2023. We have also expressed our independent, objective and fair judgments and opinions on the decisions of the Board based on our professional knowledge and ability when our opinions are needed, and effectively safeguarded the interests of the Company and minority shareholders. The particulars of the performance of duties by the independent Directors in 2023 are as follows:

I. PARTICULARS OF ATTENDANCE OF MEETINGS

In 2023, the Company held a total of 6 Board meetings and 3 general meetings. The attendance records of each independent Director are as follows:

| Name of Independent Directors | Board meetings | | | | General meetings | | | |
|-------------------------------|----------------------|--------------------|--|---------|----------------------|--------------------|--|---------|
| | Requiring attendance | Attended in person | Attended through communication equipment | Absence | Requiring attendance | Attended in person | Attended through communication equipment | Absence |
| Wang Yuguo | 6 | 6 | 0 | 0 | 3 | 3 | 0 | 0 |
| Fu Yachen | 6 | 6 | 0 | 0 | 3 | 3 | 0 | 0 |
| Poon Pok Man | 6 | 0 | 6 | 0 | 3 | 0 | 3 | 0 |

Note: Director Poon Pok Man is an independent non-executive Director of the Company in Hong Kong. He attended the meetings by video or telephone conference as he resides in Hong Kong.

Independent Directors participated in all Board meetings in 2023 and carefully reviewed the resolutions and related materials, actively participated in the discussion of all resolutions and put forward reasonable suggestions. There was no objection to any resolution of the meetings or other matters of the Company. All relevant resolutions reviewed at all Board meetings were voted in favor. There was no absence from Board meetings.

Being accountable to the Company and all Shareholders, the independent Directors carefully reviewed all resolutions and periodic reports that need to be submitted to the general meetings for consideration, as well as provided constructive opinions for the Company’s development and standardized operation, so as to effectively perform the duties of the independent Directors of the Company.

II. INFORMATION ON OUR INDEPENDENT OPINIONS

During the reporting period, as independent Directors of the Company, we discharged our duties earnestly, diligently and conscientiously in accordance with the requirements of the relevant system. After understanding the situation and making enquiries into relevant documents, we expressed our independent opinion. Details of our independent opinions are mainly as follows:

1. On 31 March 2023, at the twenty-third meeting of the second session of the Board of the Company, we have expressed independent opinion on the status of the Company's connected transactions for 2022 and the implementation of the management of connected transactions, confirming that the relevant connected transactions of the Company for 2022 were in the interests of the Company as a whole, were not prejudicial to the interests of the Company and its non-connected shareholders and would not have any impact on the independence of the Company. We have expressed independent opinions on the proposed final dividend for 2022 and the re-appointment of the external auditor of the Company.
2. On 28 August 2023, at the twenty-sixth meeting of the second session of the Board of the Company, we have expressed independent opinions on the connected transactions of the Company during the reporting period after a careful review of the resolution on the confirmation of connected transactions of the Company for period from January to June in 2023.
3. On 20 September 2023, the independent non-executive Directors convened the second meeting of 2023, at which independent Directors expressed their independent opinions on matters relating to the receipt of certain heating assets by the controlling shareholder, Chuncheng Investment.
4. On 11 October 2023, at the twenty-eighth meeting of the second session of the Board of the Company, independent Directors expressed independent opinions on the application to the Stock Exchange for the caps of the continuing connected transactions from 2024 to 2026.

III. WORK CONDUCTED DURING THE AUDIT OF THE ANNUAL REPORT

In accordance with the relevant requirements of the China Securities Regulatory Commission and the Stock Exchange on annual reports and the relevant systems of the Company, we have paid due attention to the audit of the Company's annual report. Before the audit by the external auditor, we listened to the management's report on the annual operation of the Company, confirmed the audit plan together with the Finance Department of the Company, and made specific requests to the auditor and the Company. In the course of the audit, we urged the accounting firm to submit the audit report within the appointed time, communicated with the accountants on the issues identified

during the audit, reviewed the preliminary audit results, and confirmed the audited financial reports of the Company. As a result, we have duly performed our duties as independent Directors in the audit of the annual report.

IV. OTHER WORK CONDUCTED TO PROTECT THE RIGHTS AND INTERESTS OF PUBLIC INVESTORS

(i) Conscientiously performing the duties as members of special committees of the Board

1. *Performance of the Audit Committee*

As members of the Audit Committee, adhering to the principles of diligence and responsibility and seeking truth from facts, we actively promoted the commencement of the Company's audit work for the year 2023, fully communicated with the external auditor, reviewed the Company's audit plan and financial statement information, specially reviewed the Company's annual report for the year 2022, the final financial report for the year 2022, the financial budget report for the year 2023 and the internal control evaluation report, reviewed the limits to be applied for 2024–2026 continuing connected transactions by the Company and conducted an audit of the connected transactions during the reporting period.

2. *Performance of the Strategy Committee*

As members of the Strategy Committee, we actively participated in discussions on major issues of the Company, carefully studied and put forward valuable suggestions on medium and long-term development strategies and major investment and acquisition plans of the Company, in accordance with relevant regulations, the Articles of Association, and the “Terms of Reference and Rules of Procedure for Meeting of the Strategy Committee under the Board” of the Company.

3. *Performance of the Nomination Committee*

As members of the Nomination Committee, we actively performed our duties and effectively supervised the competence, expertise, and performance of duties of members of the Board of the Company, as well as the structure, size, composition, and diversity of the Board and the independence of independent directors, in accordance with relevant regulations, the Articles of Association, and the “Terms of Reference and Rules of Procedure for Meeting of the Nomination Committee under the Board” of the Company. Also, we have recommended candidates for the position of director to the Board based on a comprehensive review of the proposed appointee's work ability, experience in corporate governance, and biographical details.

4. *Performance of the Remuneration Committee*

As members of the Remuneration Committee, we actively understood the Company's remuneration system and reviewed the compensation, remuneration policy, and structure of directors, supervisors, and senior management, in accordance with relevant regulations, the Articles of Association, and the "Terms of Reference and Rules of Procedure for Meeting of the Remuneration Committee under the Board" of the Company.

(ii) Visit and recommendation

In 2023, we gained a thorough understanding of and continued to review the Company's production and operation, particularly its financial position, and also heard reports on the Company's operating conditions and standard operation from the management of the Company. We recommended that the Company should continue to improve corporate governance, establish a sound internal control system in accordance with the latest laws and regulations, strictly implement internal control procedures, control investment risks, and make adjustments in line with changes in the industry environment on a timely manner, in bid to improve the profitability of principle business and maintain its core competitiveness.

(iii) Investigation on corporate governance structure and operational management

In 2023, for each material resolution considered and approved by the Board meeting, we exercised our voting rights in an independent, objective, and prudent manner and made various recommendations after having carefully reviewed the information provided by the Company in advance and gaining an understanding on the situations through proactively making enquiries to relevant personnel. On this basis, we probed deeply into the Company's production and operation, management, and the improvement and implementation of systems such as the internal control system; developed a picture of issues related to the Company's financial management, connected transactions, business development and progress of investment projects; and knew about the Company's production and operation and corporate governance. Therefore, through fully performing our duties as independent directors, we promoted the scientific and objective decision-making of the Board and practically safeguarded the interests of the Company and shareholders.

V. OTHER WORK

1. There was no proposal of convening Board meeting during the reporting period;
2. There was no proposal of appointment or dismissal of accounting firms during the reporting period;
3. There was no appointment of external audit institutions and consulting institutions during the reporting period.

4. As members of the special committees of the Board, we have carried out corresponding work in accordance with relevant system requirements and achieved the expected results. In 2024, we will continue to faithfully, diligently, and conscientiously perform the duties of independent directors in accordance with the requirements of relevant laws and regulations and normative documents, strengthen communication with other directors, supervisors, and senior management, continuously strengthen learning, in-depth understanding of the Company's production and operation, etc., provide more constructive suggestions for the development of the Company with our own professional knowledge and experience, provide reference opinions for the decision-making of the Board of Directors, and practically safeguard the legitimate rights and interests of the Company and the majority of investors, especially minority Shareholders.

Finally, we would like to express our sincere gratitude to the Company's management and relevant staff for their assistance and active cooperation in 2023, and we hope that the Company will continue to operate steadily in a standardized manner and forge ahead in the new year based on technological innovation to strive for greater development, and reward the majority of investors with good performance.

Jilin Province Chuncheng Heating Company Limited*
Mr. Wang Yuguo Mr. Fu Yachen Mr. Poon Pok Man
Independent non-executive Directors

The financial statements of Jilin Province Chuncheng Heating Company Limited* (吉林省春城熱力股份有限公司) (hereinafter “**Chuncheng Heating**” or the “**Company**”) for the year 2023 has been audited by Da Hua Certified Public Accountants (Special General Partnership) (hereinafter “**Da Hua CPA**”). In the opinion of Da Hua CPA, the financial statements of the Company, which was prepared in accordance with the requirements of China Accounting Standards for Business Enterprises in all material aspects, give a true and fair view of the combined and parent company’s financial position of Chuncheng Heating as at 31 December 2023, and of the combined and parent company’s financial performance and cash flows for the year 2023. The final financials of the Company for the year 2023 are hereby reported as follows:

1. KEY FINANCIAL DATA OF THE COMPANY FOR THE YEAR 2023

The Group’s operating revenue was RMB1,694.42 million in 2023, as compared to RMB1,654.71 million in 2022, representing an increase of 2.4%, which was mainly due to the increase in revenue from heating fee as a result of the increase in heat service area, and the increase in revenue of the Group’s engineering construction business as a result of undertaking projects this year.

Net profit amounted to RMB120.96 million in 2023, as compared to RMB114.67 million in 2022, representing an increase of 5.49%, which was primarily due to the increase in revenue from heating fee as a result of the increase in heat service area, and the increase in revenue from projects undertaken in the current period, as well as the reversal of asset impairment losses and credit impairment losses as a result of the recovery of trade receivables of previous years in the current period.

Major Financial Indicator Statements

| Unit: RMB | | | |
|--|-----------------------|-----------------------|---|
| Item | 2023 | 2022 | Increase/decrease as compared to the last year |
| Operating revenue | 1,694,416,835.88 | 1,654,705,152.68 | 2.40% |
| Net profit attributable to shareholders of the Company | 120,955,527.33 | 114,667,977.46 | 5.48% |
| Net cash flows from operating activities | 399,342,551.89 | 246,151,759.98 | 62.23% |
| Basic earnings per share (RMB/share) | 0.26 | 0.25 | 4.00% |
| Diluted earnings per share (RMB/share) | 0.26 | 0.25 | 4.00% |
| Return on net assets | 12.71% | 12.69% | 0.08% |
| Item | As at the end of 2023 | As at the end of 2022 | Increase/decrease as compared to the end of last year |
| Total assets | 3,006,592,883.45 | 3,038,974,956.81 | -1.07% |
| Net assets attributable to shareholders of the Company | 989,846,478.80 | 911,901,438.12 | 8.55% |

II. ANALYSIS ON FINANCIAL POSITION, OPERATING RESULTS AND CASH FLOWS**(I) Analysis of assets**

Total assets in 2023 decreased by 1.07% as compared to the corresponding period of last year, details of which are set out below:

1. Monetary funds increased by 8.04%, which was mainly due to the receipt of heating fee, and the receipt of project money by the subsidiary from “Three Supplies and Property Management” in the current period.
2. Trade receivables increased by 4.05%, which was mainly due to the receipt of project money by the subsidiary from “Three Supplies and Property Management” in the current period.
3. Prepayment decreased by 4.62%, which was mainly due to decrease in prepaid heat fee as a result of lower heat source purchases from power plants.
4. Other receivables increased by 12.40%, which was mainly due to the outstanding service fee from intermediaries for listing at Chuncheng Heating level in the current period.
5. Inventories decreased by 10.34%, which was mainly due to the decrease in inventories of Xixing Energy and Jilin Chuncheng Clean Energy Company Limited* (吉林省春城清潔能源有限責任公司), both subsidiaries of the Company.
6. Contract assets decreased by 27.13%, which was mainly due the decrease of contract assets resulting from the reversal of receivable related to the construction and maintenance operations undertaken by subsidiaries in the current period.
7. Investment properties decreased by 100%, mainly because investment properties at Chuncheng Heating level was re-calculated as fixed assets.
8. Right-of-use assets increased by 1,191.42%, which was mainly due to the increase from re-recognition of right-of-use assets at Chuncheng Heating level and of its subsidiaries.

Statement of Assets for the Year 2023

Unit: RMB

| Item | 31 December 2023 | 31 December 2022 | Change |
|---------------------------------|-------------------------|-------------------------|---------------|
| Monetary funds | 1,117,641,609.91 | 1,034,436,102.05 | 8.04% |
| Trade receivable | 145,484,702.63 | 139,825,918.08 | 4.05% |
| Prepayment | 560,281,310.77 | 587,425,208.07 | -4.62% |
| Other receivables | 19,880,079.38 | 17,686,677.50 | 12.40% |
| Inventories | 6,713,395.63 | 7,487,869.38 | -10.34% |
| Contract assets | 65,115,247.85 | 89,363,130.11 | -27.13% |
| Other current assets | 26,982,649.84 | 17,263,647.13 | 56.30% |
| Investment properties | 0.00 | 26,982.27 | -100.00% |
| Fixed assets | 897,056,268.51 | 984,808,829.76 | -8.91% |
| Construction in progress | 15,297,566.99 | 16,637,053.27 | -8.05% |
| Right-of-use assets | 9,151,063.82 | 708,603.37 | 1,191.42% |
| Intangible assets | 14,605,254.11 | 14,687,456.32 | -0.56% |
| Goodwill | 74,847,680.43 | 74,847,680.43 | 0.00% |
| Long-term deferred expenditures | 52,873.11 | 508,668.09 | -89.61% |
| Deferred income tax assets | 53,483,180.47 | 53,261,130.98 | 0.42% |
| Total assets | 3,006,592,883.45 | 3,038,974,956.81 | -1.07% |

(II) Analysis of liabilities

Total liabilities for the year of 2023 decreased by 5.19% compared with the previous year. Details are as follow:

1. Short-term loans decreased by 100%, which was mainly due to the repayment of short-term loans at Chuncheng Heating level;
2. Bills payable increased by 100%, which was mainly due to the addition of bank acceptance bills at Chuncheng Heating level;
3. Tax payable decreased by 43.17%, which was mainly due to the payment of corporate income tax at Chuncheng Heating level and of its subsidiaries;
4. Other payables decreased by 24.69%, which was mainly due to the decrease in current accounts at Chuncheng Heating level and of its subsidiaries;
5. Non-current liabilities due within one year increased by 474.14%, which was mainly due to the increase of lease liabilities due within one year during the current period;

6. Deferred income tax liabilities decreased by 18.81%, which was mainly due to the decrease in temporary differences arising from the value-added portion of asset valuation on the acquisitions of Yatai Heating and Xixing Energy.

Statement of liabilities for the year 2023

Unit: RMB

| Item | 31 December 2023 | 31 December 2022 | Change |
|---|-------------------------|-------------------------|---------------|
| Short-term Loans | 0.00 | 234,000,000.00 | -100.00% |
| Bills payable | 183,130,000.00 | 0.00 | 100.00% |
| Trade payables | 197,585,314.62 | 199,672,999.06 | -1.05% |
| Contract liabilities | 1,381,513,668.23 | 1,410,922,916.32 | -2.08% |
| Salaries payable | 99,420,557.57 | 103,693,668.18 | -4.12% |
| Tax payable | 21,219,468.29 | 37,339,588.27 | -43.17% |
| Other payables | 16,090,642.48 | 21,365,983.70 | -24.69% |
| Non-current liabilities due within one year | 2,733,983.62 | 476,190.47 | 474.14% |
| Other current liabilities | 13,028.63 | 17,836.40 | -26.95% |
| Lease liabilities | 6,398,770.88 | 0.00 | 100.00% |
| Long-term payables | 2,584,506.04 | 2,775,074.00 | -6.87% |
| Long-term salaries payable | 31,338,188.24 | 29,559,928.24 | 6.02% |
| Deferred income | 39,773,519.76 | 44,188,783.40 | -9.99% |
| Deferred income tax liabilities | 33,502,589.18 | 41,263,242.91 | -18.81% |
| Other non-current liabilities | 1,442,167.11 | 1,797,307.74 | -19.76% |
| Total Liabilities | 2,016,746,404.65 | 2,127,073,518.69 | -5.19% |

(III) Analysis of shareholders' equity

Shareholders' equity has increased by 8.55% in 2023 as compared with the previous year, primarily due to an increase of the retained earnings.

Statement of shareholders' equity for the year 2023

Unit: RMB

| Shareholders' equity | 31 December 2023 | 31 December 2022 | Change |
|-----------------------------------|-----------------------|-----------------------|--------------|
| Share capital | 466,700,000.00 | 466,700,000.00 | 0.00% |
| Capital reserve | 0.00 | 0.00 | 0.00% |
| Other comprehensive income | -2,786,642.82 | -1,786,642.82 | 55.97% |
| Special reserves | 25,636,436.53 | 25,643,923.18 | -0.03% |
| Surplus reserve | 38,565,035.73 | 29,831,863.56 | 29.27% |
| Undistributed profits | 461,731,649.36 | 391,512,294.20 | 17.94% |
| Total shareholders' equity | 989,846,478.80 | 911,901,438.12 | 8.55% |

(IV) Analysis of operating conditions

In 2023, the operating income amounted to RMB1,694.42 million, a year-on-year increase of 2.40%; the net profit amounted to RMB120.96 million, a year-on-year increase of 5.48%. The details are as follows:

1. Operating revenue increased by 2.40%, which was mainly due to an increase in revenue from heating fee as a result of the increase in heat service area and an increase in revenue from undertaking projects during the current period, and the reversal of impairment loss on asset and credit impairment loss during the current period as a result of the recovery of receivables of prior years.
2. Operating costs increased by 0.31%, which was mainly due to the increase in expense of repair and maintenance projects during the current period.
3. Research and development expenses increased by 17.37%, which was mainly due to the increase in research and development activities of Jilin Province Heating Engineering Design and Research Company Limited* (吉林省熱力工程設計研究有限公司), a subsidiary.
4. Administrative expenses increased by 1.32%, which was mainly due to the increase in office expenses and depreciation of right-of-use assets.
5. Finance costs increased by 66.88%, which was mainly due to the increase in interest expenses and the decrease in interest income during the current period.
6. Other income increased by 2.50%, which was mainly due to the receipt of heat subsidies during the current period.
7. Credit impairment loss increased by 110.84%, which was mainly due to the decrease in the reversal of bad debt provision on trade receivable as a result of the recovery of previous project money by a subsidiary compared to the last period.
9. Impairment loss on assets increased by 99.81%, which was mainly due to the increase in the reversal of bad debt provision on trade receivable as a result of the recovery of project money of “Three Supplies and Property Management” by a subsidiary compared to the last period.
10. Gain on disposal of assets decreased by 100%, which was mainly due to the disposal of idle assets in the same period of the last year while no disposal of assets occurred for the current year.

Income statement for 2023

Unit: RMB

| Item | 2023 | 2022 | Change |
|-----------------------------------|------------------|------------------|----------|
| Operating income | 1,694,416,835.88 | 1,654,705,152.68 | 2.40% |
| Operating costs | 1,428,526,474.25 | 1,424,056,759.56 | 0.31% |
| Taxes and surcharges | 4,547,238.86 | 4,460,519.44 | 1.94% |
| Selling expenses | 1,825,236.87 | 1,735,600.28 | 5.16% |
| Administrative expenses | 100,537,572.65 | 99,230,886.70 | 1.32% |
| Research and development expenses | 2,317,798.09 | 1,974,740.89 | 17.37% |
| Finance costs | -4,466,812.57 | -13,484,950.49 | 66.88% |
| Other income | 12,231,569.75 | 11,933,281.37 | 2.50% |
| Credit impairment loss | -3,571,744.49 | 32,935,049.77 | -110.84% |
| Impairment loss on assets | -32,058.81 | -17,095,441.97 | -99.81% |
| Gain on disposal of assets | 0.00 | 13,021.19 | -100.00% |
| Operating profit | 169,757,094.18 | 164,517,506.66 | 3.18% |
| Non-operating income | 1,014,761.87 | 1,435,727.08 | -29.32% |
| Non-operating expenses | 2,300,071.57 | 308,250.32 | 646.17% |
| Total profit | 168,471,784.48 | 165,644,983.42 | 1.71% |
| Income tax expenses | 47,516,257.15 | 50,977,005.96 | -6.79% |
| Net profit | 120,955,527.33 | 114,667,977.46 | 5.48% |

(V) Analysis of cash flows

The net increase in cash and cash equivalents in 2023 was RMB80.81 million. In particular, net operating cash flows increased by 62.23% year-on-year, mainly due to the increase in net operating cash outflow from Chuncheng Heating, Yatai Heating and Xixing Energy; net investment cash flows increased by 42.17% year-on-year, mainly due to the decrease in cash paid by Chuncheng Heating and Yatai Heating for the purchase and construction of fixed assets in the same period; net cash flow from financing activities decreased by 270.06% year-on-year, mainly due to the repayment of borrowings of last year by Chuncheng Heating level during the current period.

Statement of cash flows for 2023

Unit: RMB

| Item | 2023 | 2022 | Change |
|--|-----------------|----------------|----------|
| Net cash flows from operating activities | 399,342,551.89 | 246,151,759.98 | 62.23% |
| Net cash flows from investing activities | -29,163,062.28 | -50,431,332.72 | 42.17% |
| Net cash flows from financing activities | -289,373,981.75 | 170,155,180.21 | -270.06% |

This budget report was prepared by the Company under the guidance of production directives issued by the central government and a demand-driven market approach after taking into consideration of the condition of heat supply industry and the practical circumstances of the Company, while making reference to the Company's operating results in recent years to further optimize the allocation of resources and improve economic efficiency based on the principle of solidity and cautiousness.

I. ASSUMPTIONS UNDER WHICH THE PREPARATION OF BUDGET IS BASED

1. No material changes in the applicable current national and local laws, regulations and rules to which the Company is required to comply with.
2. No material changes in social and economic environment of the place of principal operations of the Company and relevant regions of businesses.
3. No material changes in the Company's industry circumstances and market conditions.
4. No material changes in the market prices, and demand and supply relations of the main products and raw materials of the Company.
5. Fluctuation of the taxation policy regarding production and operation of the Company are within normal scope.
6. No material changes in the existing production organization structure of the Company and completion and commencement for production of the planned investment projects will take place on schedule.
7. No material adverse impacts on the Company due to other force majeure and unpredictable factors.

II. BUDGET GOALS

The Company's 2024 comprehensive budget includes budget for production and operation, budget for investment, budget for labor cost, budget for informationization, etc. The Company's overall major business objectives are as follows:

| No. | Major business objectives | Unit | Budget for 2024 |
|-----|---------------------------|----------|--------------------|
| 1 | Operating income | RMB0'000 | 165,781 |
| 2 | Total profit | RMB0'000 | 14,127 |

The above financial budget does not represent the Company's performance forecast for 2024. As the implementation of it depends on various factors such as the changes in market situation, there are considerable uncertainties.

Set out below are the biographical details of the Directors eligible for election/re-election at the AGM:

Mr. YANG Zhongshi (楊忠實先生) (“Mr. YANG”)

Mr. YANG Zhongshi, aged 57, joined our Group in April 1998 and is currently the vice chairman of the Board, an executive Director and the general manager of our Company, mainly responsible for overall management of business and operations of our Group including heat supply and heat supply related services, with specific focus on the management on human resources department, internal audit department, office of chief engineer, and resources management department.

Mr. YANG has approximately 33 years of work experience in the heating industry and held various senior management positions within our controlling shareholder, Chuncheng Investment. He was the deputy chief engineer and the head of the technical equipment department of Chuncheng Investment from December 2000 to December 2002 and was promoted to chief engineer since December 2002, mainly responsible for overall technology management. He served as the deputy general manager at Chuncheng Investment from February 2011 to April 2016, mainly responsible for production management, production safety management and end-users service management, and the general manager from April 2016 to May 2018, mainly responsible for overall business management and implementation of policies passed by the board of directors. Mr. YANG was appointed as a director of Chuncheng Investment from August 2017 to October 2019. Since May 2018, he has not participated in the daily operation of Chuncheng Investment and has been mainly responsible for formulation of corporate strategies. He was a director at Jilin Province Heating Engineering Design and Research Company Limited* (吉林省熱力工程設計研究有限責任公司) from September 2012 to July 2018, mainly responsible for overall management of business and operations. Mr. YANG served as a director in Jilin Province Xinda Investment Management Co., Ltd. from June 2017 to November 2021 and has served as a director in Yatai Heating since December 2019.

Mr. YANG graduated with a bachelor’s degree in power plant thermal power engineering from Northeast China Institute of Electric Power Engineering (東北電力學院) (now known as Northeast Electric Power University (東北電力大學)) in Jilin Province, the PRC, in June 1989. Mr. YANG was accredited as a senior engineer in thermal energy engineering by Human Resources and Social Security Bureau of Jilin Province (吉林省人力資源和社會保障廳) in January 2013. He was appointed as a member of the technical expert committee of China District Heating Association (中國城鎮供熱協會) in March 2017.

As at the Latest Practicable Date, the Company has entered into a service agreement with Mr. YANG for a term of 3 years commencing from 28 May 2021. The total remuneration paid to Mr. YANG for the year from 1 January 2023 to 31 December 2023 was RMB538,327.80. His remuneration package was determined by the Board upon recommendation from the remuneration

committee of the Company with reference to his experience and qualifications. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. YANG did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. SHI Mingjun (史明俊先生) (“Mr. SHI”)

Mr. SHI Mingjun, aged 55, joined our Group in April 1998 and is currently an executive Director and the deputy general manager of our Company, mainly responsible for the construction and management of the Group’s projects as well as mergers and acquisitions and business development.

Mr. SHI has approximately 27 years of work experience in the heating industry. He held various positions within our controlling shareholder, Chuncheng Investment, and worked successively as manager assistant, deputy manager and manager of the construction development division from June 2000 to August 2009, mainly responsible for construction of thermal power plants network, overall management of business operations and formulation of business strategies. He then worked at Chuncheng Investment as the general manager assistant from August 2009 to August 2010 and was promoted to the position of deputy general manager from August 2010 to July 2018 mainly responsible for formulation of strategies and development plans of our Group and overall management of business operations. Mr. SHI was appointed as a director of Chuncheng Investment from November 2014 to January 2018, mainly responsible for overall management of construction projects. He has worked as the deputy general manager of our Company since July 2018. Mr. SHI served in Datang Changre Jilin Heating Company Limited* (大唐長熱吉林熱力有限公司) as a non-executive director since June 2017; as the chairman (legal person) in Xixing Energy from October 2014 to June 2020 and subsequently re-designated as executive director (legal person) from June 2020 to August 2020; as an executive director and general manager in Jilin Province Chuncheng Biomass Power Co., Ltd* (吉林省春城生物質能源有限公司) from December 2018 to January 2020; and as a director in Yatai Heating since December 2019.

Mr. SHI obtained a bachelor’s degree in civil engineering from Kunming University of Science and Technology (昆明理工大學) in Yunnan Province, the PRC, in July 2002 and a master’s degree in senior executive business administration management from Jilin University (吉林大學) in Jilin Province, the PRC, in June 2012. Mr. SHI was accredited as a senior engineer in industrial and construction by Jilin Department of Personnel (吉林省人事廳) in January 2017.

As at the Latest Practicable Date, the Company has entered into a service agreement with Mr. SHI for a term of 3 years commencing from 28 May 2021. The total remuneration paid to Mr. SHI for the year from 1 January 2023 to 31 December 2023 was RMB511,366.56. His remuneration package was determined by the Board upon recommendation from the remuneration committee of the Company with reference to his experience and qualifications. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. SHI did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. XU Chungang (徐純剛先生) (“Mr. XU”)

Mr. XU Chungang (徐純剛先生), aged 50, joined our Group in April 2018 and is currently an executive Director, the deputy general manager and financial controller of our Company, mainly responsible for overall management of business plans, finance and legal matters of our Group.

Prior to joining our Group, Mr. XU had senior management experience for other corporate enterprises. He successively served at Changchun Water Group* (長春水務集團), a local stated-owned water enterprise in the PRC, as the deputy head of finance from December 2002 to February 2003, deputy head of corporate strategies from February 2003 to March 2005, head of corporate strategies from March 2005 to February 2006, head of finance department from February 2006 to March 2006, the deputy chief economist of Changchun Water Group from May 2007 to May 2014, and general manager assistant from July 2010 to May 2014, mainly responsible for overall management of business plans and finance. From May 2014 to October 2016, he was promoted as the deputy general manager of Changchun Water (Group) Co., Ltd.* (長春水務(集團)有限責任公司), mainly responsible for water discharge segment management and management of safety and legal matters. From October 2016 to April 2018, he was the general manager of Changchun Investment and Construction (Group) Co., Ltd.* (長春城投建設投資(集團)有限公司), a company engages in infrastructure construction, investment and operations for Changchun City, the PRC, mainly responsible for overall management of business operation. In addition to his corporate experiences, Mr. XU served as the mayor assistant of Yushu City (榆樹市), Jilin Province, the PRC, mainly responsible for assisting the deputy mayor to manage agriculture industry from March 2006 to May 2007.

Mr. XU obtained a master’s degree in laws from Jilin University (吉林大學) in Jilin Province, the PRC, in December 2008. Mr. XU was accredited as a senior accountant by Jilin Department of personnel (吉林省人事廳) in September 2005. Mr. XU passed the PRC judicial exam and received the qualification of legal profession (法律職業資格證) by Ministry of Justice of the People’s Republic of China (中華人民共和國司法部) in September 2002.

As at the Latest Practicable Date, the Company has entered into a service agreement with Mr. XU for a term of 3 years commencing from 28 May 2021. The total remuneration paid to Mr. XU for the year from 1 January 2023 to 31 December 2023 was RMB496,357.12. His remuneration package was determined by the Board upon recommendation from the remuneration committee of the Company with reference to his experience and qualifications. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. XU did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. LI Yeji (李業績先生) (“Mr. LI”)

Mr. LI Yeji (李業績先生), aged 46, joined our Group in September 2001 and is currently an executive Director, and the head of production department, mainly responsible for management on heat supply of our Company.

Mr. LI has approximately 23 years of working experience in the PRC heating industry. He has held various positions within our controlling shareholder, Chuncheng Investment, and worked successively as the construction manager of the construction development division from September 2001 to May 2002, mainly responsible for coordination of construction projects; the process engineer of the technical department from May 2002 to April 2008, mainly responsible for process management of technical department; the deputy manager of Chaoyang Division One from April 2008 to March 2009 mainly responsible for production management and quality control; the deputy head of production department from March 2009 to March 2010 mainly responsible for operations and end-users services management; the deputy manager of Chaoyang Division Two from March 2010 to April 2012 mainly responsible for production operations, quality control and management of technical equipment; the head of the integrated business planning department from April 2012 to May 2015 mainly responsible for overall management and operations planning; the head of the fuel management division and secretary from May 2015 to May 2017 mainly responsible for overall fuel management; deputy head of the construction management center from May 2017 to July 2017 mainly responsible for construction project management; and manager of the construction management center from December 2017 to November 2022 mainly responsible for construction project management. Mr. LI has been an executive Director of the Company since May 2018 and the head of production department of the Company since November 2022. Mr. LI was seconded to Tianjin Jin'an Thermal Power Limited Liability Company* (天津津安熱電有限責任公司) as deputy general manager from July 2017 to December 2017, mainly responsible for management of technology and production.

Mr. LI graduated from Jilin Institute of Architecture and Engineering* (吉林建築工程學院)(now known as Jilin Jianzhu University (吉林建築大學) in Jilin Province, the PRC, with a bachelor's degree in heating ventilation and air conditioning engineering in July 2001. He was accredited as a senior engineer in heating, ventilation, and air conditioning by Human Resources and Social Security Bureau of Jilin Province (吉林省人力資源和社會保障廳) in January 2013.

As at the Latest Practicable Date, the Company has entered into a service agreement with Mr. LI for a term of 3 years commencing from 28 May 2021. The total remuneration paid to Mr. LI for the year from 1 January 2023 to 31 December 2023 was RMB272,409.83. His remuneration package was determined by the Board upon recommendation from the remuneration committee of the Company with reference to his experience and qualifications. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. LI did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. FU Yachen (付亞辰先生) (“Mr. FU”)

Mr. FU Yachen (付亞辰先生), aged 71, is an independent non-executive Director of our Company. He was appointed as our independent non-executive Director on 19 August 2019. He is responsible for overseeing the management of our Group independently. Mr. FU has over 36 years of experience teaching in university. He worked as a teacher at Changchun Tax Institute* (長春稅務學院) (now known as Jilin University of Finance and Economics (吉林財經大學)) from July 1982 to July 2019. He was promoted as the department head of faculty of finance at Jilin University of Finance and Economics (吉林財經大學) from January 1987 to December 2009, mainly responsible for administrative work. From January 2010 to December 2010, Mr. FU was the dean of the finance faculty of Jilin University of Finance and Economics (吉林財經大學) mainly responsible for management and administration. Mr. FU worked as an advisor at Jilin Provincial Government from January 2012 to July 2022, mainly responsible for offering advice and supervising the government. He has been working as an independent director at Bank of Jilin (吉林銀行) from October 2014 to April 2020, mainly responsible for overseeing the management independently. He worked as the independent director of Jilin Huancheng Rural Commercial Bank Co., Ltd. from March 2018 to October 2022.

Mr. FU graduated Jilin Finance and Trading College* (吉林財貿學院) (now known as Jilin University of Finance and Economics (吉林財經大學)) in Jilin Province, China in July 1982 with a bachelor's degree in finance. Mr. FU was accredited as a professor with a specialty in finance by Jilin Department of personnel (吉林省人事廳) in November 1999. Mr. FU was also accredited as a qualified teacher in tertiary education institutes by the Ministry of Education of the PRC (中國國家教育委員會) in April 1997, and was awarded the renowned teacher of Jilin Province* (吉林省教學名師) in 2009.

As at the Latest Practicable Date, the Company has entered into a service agreement with Mr. FU for a term of 3 years commencing from 28 May 2021. The total remuneration paid to Mr. FU for the year from 1 January 2023 to 31 December 2023 was RMB100,000.00. His remuneration package was determined by the Board upon recommendation from the remuneration committee of the Company with reference to his experience and qualifications. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. FU did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. POON Pok Man (潘博文先生) (“Mr. POON”)

Mr. POON Pok Man (潘博文先生), aged 39, is an independent non-executive Director of our Company. He was appointed as our independent non-executive Director on 19 August 2019. He is responsible for overseeing the management of our Group independently. Mr. POON has over 16 years of professional experience in corporate restructuring, corporate finance, financial reporting

and auditing. He is currently the chief financial officer and company secretary of Asia Energy Logistics Group Limited (亞洲能源物流集團有限公司) (stock code: 351), mainly responsible for financial management, overseeing investment projects and fund raising activities.

Mr. POON graduated from the City University of Hong Kong (香港城市大學), with a bachelor's degree in Business Administration (Hons) with a major in accounting in November 2007. He graduated from The Hong Kong Polytechnic University in September 2021 with a master of Corporate Governance. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

As at the Latest Practicable Date, the Company has entered into a service agreement with Mr. POON for a term of 3 years commencing from 28 May 2021. The total remuneration paid to Mr. POON for the year from 1 January 2023 to 31 December 2023 was RMB150,000.00 His remuneration package was determined by the Board upon recommendation from the remuneration committee of the Company with reference to his experience and qualifications. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. POON did not have any interest in the Shares within the meaning of Part XV of the SFO.

ZHANG Yan (張彥) (“Ms. ZHANG”)

Ms. ZHANG Yan (張彥女士), aged 45, was qualified to practice law in the PRC in 2006. Ms. ZHANG served as the employed lawyer at Keeping Charm Law Firm (吉林兢誠律師事務所) from July 2006 to April 2008, mainly responsible for undertaking various legal cases. She served as the second-tier partner at Keeping Charm Law Firm (吉林兢誠律師事務所) from May 2008 to July 2018; the senior partner at Keeping Charm Law Firm (吉林兢誠律師事務所) since August 2018; the director of the management committee at Keeping Charm Law Firm (吉林兢誠律師事務所) since April 2020, mainly responsible for the daily management and operation of the law firm. In September 2021, she was appointed as the arbitrator of Changchun Arbitration Commission, mainly responsible for the arbitration work of the cases accepted by Changchun Arbitration Commission.

Ms. ZHANG graduated from Jilin University, China in 2005, with a master's degree in economic law majoring in law. In September 2019, the Lawyers Committee of the Communist Party of China in Jilin Province awarded Ms. ZHANG as an outstanding lawyer in Jilin province.

Upon the appointment as an independent non-executive Director and her remuneration being approved by the Shareholders at the general meeting, Ms. ZHANG will enter into a service agreement with the Company for a term of three years commencing from the date of appointment. The proposed remuneration payable by the Company to Ms. ZHANG pursuant to the service

agreement shall be RMB100,000 per annum. Ms. ZHANG's remuneration package was determined by the Board upon recommendation from the remuneration committee of the Company with reference to her experience and qualifications.

As at the Latest Practicable Date, Ms. ZHANG did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no other information relating to the above each of election of/re-elected Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to their re-election/appointment that need to be brought to the attention of the shareholders of the Company.

Set out below are the biographical details of the Supervisors eligible for re-election at the AGM:

Mr. QIU Jianhua (仇建華先生) (“Mr. QIU”)

Mr. QIU Jianhua (仇建華), aged 57, is a Supervisor of our Company. He was appointed as a Supervisor and the chairman of the Supervisory Committee on 28 May 2021. Mr. QIU has served in various positions in Chuncheng Investment, the controlling shareholder of the Company, including as coordinator of the production planning section from August 1987 to November 1992, section officer of the personnel department from November 1992 to May 1994, deputy chief of the operation department from May 1994 to June 1998, chief of the operation department and manager of the debt collection business from June 1998 to March 2004 and chief of the general operation and planning department from March 2004 to May 2011. He was promoted to the position of assistant general manager of Chuncheng Investment from May 2011 to December 2014 and has been the deputy general manager of Changchun Investment since December 2014, a director of Chuncheng Investment from October 2019 to September 2022 as well as the financial controller of Chuncheng Investment since February 2023. He served as the manager of Yatai Heating from December 2019 to December 2020.

Mr. QIU graduated from Jilin Institute of Chemical Technology (吉林化工學校) in July 1987 majoring in chemical machinery and obtained a bachelor's degree in electromechanical integration from Jilin University of Technology (吉林工業大學) in January 1993. In January 2007, Mr. QIU was accredited as a senior engineer in heating equipment and heat supply network management by the Jilin Department of Personnel* (吉林省人事廳).

If the proposed appointment of Mr. QIU as a Supervisor is approved at the AGM, his term of office will commence from the date of the AGM to the conclusion of the third session of the Supervisory Committee. Mr. QIU will not be entitled to any emolument for acting as a Supervisor.

Save as disclosed above, Mr. QIU has confirmed that as at the Latest Practicable Date, he did not hold any other positions in the Company or its subsidiaries, had not held any directorship in any listed companies in Hong Kong or overseas in the past three years, did not have any

relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company and did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to Mr. QIU that requires to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there is no other matter in respect of his proposed appointment that needs to be brought to the attention of the Shareholders.

Ms. ZHANG Wei (張維女士) (“Ms. ZHANG”)

Ms. ZHANG Wei (張維女士), aged 44, is a Supervisor of our Company. She was appointed as our Supervisor on 30 December 2020. Ms. ZHANG qualified as an attorney-at-law of the PRC in 2016. Ms. ZHANG worked at Jilin ZhengJi Law Firm (吉林正基律師事務所) from January 2008 to October 2017 and as a practicing attorney from September 2016. Since November 2017, Ms. ZHANG has been acting as the general counsel of Changchun State-owned Capital Investment Operation (Group) Co., Ltd.* (長春市國有資本投資運營(集團)有限公司). She has served as a supervisor of Changchun Yingsheng Technology Investment Company Limited* (長春盈勝科技投資有限公司) since December 2018, the chairman of supervisor committee of Changchun Public Housing Construction Investment Company Limited* (長春市保障房建設投資有限責任公司) since September 2019 and a director of Changchun Guotou Construction Engineering Company Limited* (長春國投建設工程有限公司) since January 2021.

Ms. ZHANG obtained her bachelor’s degree in law from Northeast Normal University (東北師範大學), the PRC in 2003 and her master’s degree in civil law and commercial law from Jilin University (吉林大學), the PRC in 2007.

If the proposed re-election of Ms. ZHANG as a Supervisor is approved at the AGM, her term of office will commence from the date of the AGM to the conclusion of the third session of the Supervisory Committee. Ms. ZHANG will not be entitled to any emolument for acting as a Supervisor.

Save as disclosed above, Ms. ZHANG has confirmed that as at the Latest Practicable Date, she did not hold any other positions in the Company or its subsidiaries, had not held any directorship in any listed companies in Hong Kong or overseas in the past three years, did not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to Ms. ZHANG that requires to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there is no other matter in respect of her proposed re-election that needs to be brought to the attention of the Shareholders.

Details of the proposed amendments are set out below:

| Original provisions | Amended provisions |
|--|--|
| <p>Article 7</p> <p>Save as otherwise required by the laws, regulations and the listing rules of the stock exchange of the place where the shares of the Company are listed, the terms of office of independent non-executive directors shall be three years, renewable upon re-election, but shall not exceed nine years.</p> | <p>Article 7</p> <p>Save as otherwise required by the laws, regulations, <u>the Articles of Association</u> and the listing rules of the stock exchange of the place where the shares of the Company are listed, the terms of office of independent non-executive directors shall be three years, renewable upon re-election, but shall not exceed nine years.</p> |
| <p>Article 8</p> <p>The Board shall have a chairman who shall be elected by more than half of all directors of the board for a term of three years and may be re-elected. If the chairman of the Board resigns or is removed from office during his or her term of office, the newly elected chairman of the Board shall serve until the expiration of the term of office of the current Board.</p> | <p>Article 8</p> <p>The Board shall have a chairman <u>and a vice-chairman</u> who shall be elected <u>and removed</u> by more than half of all directors of the board for a term of three years and may be re-elected. If the chairman <u>or vice-chairman</u> of the Board resigns or is removed from office during his or her term of office, the newly elected chairman <u>or vice-chairman</u> of the Board shall serve until the expiration of the term of office of the current Board.</p> |
| <p>Article 15</p> <p>The Board shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <p>(1) to convene the shareholders' general meeting, propose matters for approval at general meetings, and report its work to the shareholders' general meeting;</p> <p>(2) to implement the resolutions of the shareholders' general meetings;</p> <p>(3) to decide on the Company's business plans and investment plans;</p> | <p>Article 15</p> <p>The Board shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <p>(1) to convene the shareholders' general meeting, propose matters for approval at general meetings, and report its work to the shareholders' general meeting;</p> <p>(2) to implement the resolutions of the shareholders' general meetings;</p> <p>(3) to decide on the Company's business plans and investment plans;</p> |

| Original provisions | Amended provisions |
|--|--|
| (4) to formulate the Company's annual financial budgets and final accounts; | (4) to formulate the Company's annual financial budgets and final accounts; |
| (5) to formulate the Company's profit distribution plan and plan for recovery of losses; | (5) to formulate the Company's profit distribution plan and plan for recovery of losses; |
| (6) to formulate proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing; | (6) to formulate proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing; |
| (7) to formulate proposals for material asset acquisition or disposal, repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company; | (7) to formulate proposals for material asset acquisition or disposal, repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company; |
| (8) to decide on the establishment of the Company's internal management structure; | (8) to decide on the establishment of the Company's internal management structure; |
| (9) to appoint or dismiss the Company's general manager and secretary of the Board of Directors, and to appoint or dismiss other senior management officers, such as the deputy general manager and the chief financial officer of the Company pursuant to the nominations of the general manager; | (9) to appoint or dismiss the Company's general manager and secretary of the Board of Directors, and to appoint or dismiss other senior management officers, such as the deputy general manager and the chief financial officer of the Company pursuant to the nominations of the general manager; |
| (10) to decide on the matters relating to the remuneration of the aforesaid senior management officers; | (10) to decide on the matters relating to the remuneration of the aforesaid senior management officers; |
| (11) to formulate the Company's basic management system; | (11) to formulate the Company's basic management system; |
| (12) to formulate proposals for amendment to the Articles of Association; | (12) to formulate proposals for amendment to the Articles of Association; |

| Original provisions | Amended provisions |
|---|---|
| (13) to decide on investment, acquisition or sale of assets, financing, connected person transactions, etc. as specified in the Listing Rules of Hong Kong Stock Exchange; | (13) to decide on investment, acquisition or sale of assets, financing, connected person transactions, etc. as specified in the Listing Rules of Hong Kong Stock Exchange; |
| (14) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association; | (14) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association; |
| (15) to exercise other functions and powers conferred by the laws and regulations, the Listing Rules of Hong Kong Stock Exchange, the Articles of Association or the general meetings. | (15) to exercise other functions and powers conferred by the laws and regulations, the Listing Rules of Hong Kong Stock Exchange, the Articles of Association or the general meetings. |
| The Board shall also be responsible for the following issues: | The Board shall also be responsible for the following issues: |
| (1) to formulate the Company's corporate governance system and to review and improve its corporate governance; | (1) to formulate the Company's corporate governance system and to review and improve its corporate governance; |
| (2) to review and supervise the training for and continuous professional development of directors and senior management; | (2) to review and supervise the training for and continuous professional development of directors and senior management; |
| (3) to review and supervise the systems formulated and observation thereof by the Company and to make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed; | (3) to review and supervise the systems formulated and observation thereof by the Company and to make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed; |
| (4) to formulate the Company's code of conduct and relevant compliance manual for its employees and directors, and to review and supervise their behaviors. | (4) to formulate the Company's code of conduct and relevant compliance manual for its employees and directors, and to review and supervise their behaviors. |

| Original provisions | Amended provisions |
|--|---|
| <p>The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.</p> <p>Except for the matters specified in subparagraphs (6), (7) and (12) or other requirements under the Listing Rules of the Hong Kong Stock Exchange which shall be passed by two-thirds or more of the directors, the board's resolutions in respect of any other aforesaid matters may be passed by more than half of all directors.</p> <p>Resolutions in respect of related party transactions made by the Board shall not come into force unless it is signed by independent non-executive directors.</p> | <p>The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.</p> <p>Except for the matters specified in subparagraphs (6), (7) and (12) or other requirements under the Listing Rules of the Hong Kong Stock Exchange which shall be passed by two-thirds or more of the directors, the board's resolutions in respect of any other aforesaid matters may be passed by more than half of all directors.</p> <p>Resolutions in respect of related party transactions made by the Board shall not come into force unless it is signed by independent non-executive directors.</p> <p><u>When the decision on major affairs should be made by the Communist Party Committee of the Company in the course of study on the decision on major affairs by the Board, the Board should accept prior advices from the Company's Communist Party Committee.</u></p> |

| Original provisions | Amended provisions |
|--|--|
| <p data-bbox="196 266 316 293">Article 17</p> <p data-bbox="196 342 786 410">The chairman of the Board is entitled to the following functions and powers:</p> <p data-bbox="196 459 786 527">(1) to preside over general meetings and to convene and preside over board meetings;</p> <p data-bbox="196 576 786 676">(2) to supervise and check on the implementation of resolutions passed at the board meeting;</p> <p data-bbox="196 725 786 793">(3) to sign share certificates, bonds and other marketable securities of the Company;</p> <p data-bbox="196 842 786 1023">(4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company and to exercise the authorities of legal representatives;</p> <p data-bbox="196 1072 786 1364">(5) to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board after such event occurs, in the event of force majeure or an emergency in which it is impossible to convene a board meeting;</p> <p data-bbox="196 1412 786 1513">(6) to define the systems necessary for the operation of the Board, and coordinate its operation;</p> <p data-bbox="196 1561 786 1732">(7) to hear regular and non-regular performance reports from the Company's senior management officers, and to provide the Board with steering comments on the implementation of board resolutions;</p> | <p data-bbox="809 266 928 293">Article 17</p> <p data-bbox="809 342 1391 410">The chairman of the Board is entitled to the following functions and powers:</p> <p data-bbox="809 459 1391 527">(1) to preside over general meetings and to convene and preside over board meetings;</p> <p data-bbox="809 576 1391 676">(2) to supervise and check on the implementation of resolutions passed at the board meeting;</p> <p data-bbox="809 725 1391 793">(3) to sign share certificates, bonds and other marketable securities of the Company;</p> <p data-bbox="809 842 1391 1023">(4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company and to exercise the authorities of legal representatives;</p> <p data-bbox="809 1072 1391 1364">(5) to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board after such event occurs, in the event of force majeure or an emergency in which it is impossible to convene a board meeting;</p> <p data-bbox="809 1412 1391 1513">(6) to define the systems necessary for the operation of the Board, and coordinate its operation;</p> <p data-bbox="809 1561 1391 1732">(7) to hear regular and non-regular performance reports from the Company's senior management officers, and to provide the Board with steering comments on the implementation of board resolutions;</p> |

| Original provisions | Amended provisions |
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| <p>(8) to nominate a candidate for the general manager and the board secretary of the Company;</p> <p>(9) to exercise any other functions and powers conferred by laws and regulations, the Articles of Association or the Board.</p> <p>In the event that the chairman of the Board is unable to perform his duties, a director shall be elected jointly by half or more of the directors to perform such duties.</p> <p>The Board may, if necessary, authorize the chairman of the Board to exercise part of the powers of the Board when it is in recess.</p> | <p>(8) to nominate a candidate for the general manager and the board secretary of the Company;</p> <p>(9) to exercise any other functions and powers conferred by laws and regulations, the Articles of Association or the Board.</p> <p>In the event that the chairman of the Board is unable to perform his duties, <u>he/she may direct the vice-chairman to perform his/her duties. In the event that the vice-chairman of the Board is unable to or fails to perform the duties,</u> a director shall be elected jointly by half or more of the directors to perform such duties.</p> <p>The Board may, if necessary, authorize the chairman of the Board to exercise part of the powers of the Board when it is in recess.</p> |
| <p>Article 23</p> <p>Convening and chairing of meetings</p> <p>Meetings of the Board shall be convened and presided over by the chairman of the Board; if the chairman of the Board is unable to perform or fails to perform his or her duties, a director shall be jointly elected by half or more of the directors to preside over the meeting.</p> | <p>Article 23</p> <p>Convening and chairing of meetings</p> <p>Meetings of the Board shall be convened and presided over by the chairman of the Board; if the chairman of the Board is unable to perform or fails to perform his or her duties, <u>he/her may direct the vice-chairman to perform his/her duties. In the event that the vice-chairman of the Board is unable to or fails to perform the duties,</u> a director shall be jointly elected by half or more of the directors to preside over the meeting.</p> |

| Original provisions | Amended provisions |
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| <p>Article 24</p> <p>Notice of Meeting</p> <p>To hold regular meetings and extraordinary meetings of the Board, the office of the Board shall deliver written notice of the meeting to all the directors, supervisors, the board secretary and the general manager by email, post, fax or person within ten days and three days in advance respectively. If not delivered by hand, the delivery shall be confirmed by calls and relevant records shall be made.</p> <p>Where an extraordinary board meeting needs to be convened in emergency, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.</p> | <p>Article 24</p> <p>Notice of Meeting</p> <p>To hold regular meetings and extraordinary meetings of the Board, the office of the Board shall deliver written notice of the meeting to all the directors, supervisors, the board secretary and the general manager by email, post, fax or person within tenfourteen days and threefive days in advance respectively. If not delivered by hand, the delivery shall be confirmed by calls and relevant records shall be made.</p> <p>Where an extraordinary board meeting needs to be convened in emergency, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.</p> |
| <p>Article 28</p> <p>Convening of meetings</p> <p>The board meeting may not be held unless more than half of the directors are present.</p> <p>Supervisors may attend board meetings without voting rights; the general manager and the board secretary, if they are not concurrently acting as directors, shall attend board meetings without voting rights. The presider of the meeting may, where he or she deems necessary, notify other relevant persons to attend board meetings without voting rights.</p> | <p>Article 28</p> <p>Convening of meetings</p> <p>The board meeting may not be held unless more than half of the directors are present.</p> <p><u>The Company’s full-time deputy secretary of the Communist Party Committee may attend board meetings without voting rights;</u></p> <p>Supervisors may attend board meetings without voting rights; the general manager and the board secretary, if they are not concurrently acting as directors, shall attend board meetings without voting rights. The presider of the meeting may, where he or she deems necessary, notify other relevant persons to attend board meetings without voting rights.</p> |

| Original provisions | Amended provisions |
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| <p>Article 38</p> <p>Forming of resolutions</p> <p>Adoption of or resolution on any proposal shall be subject to approval of half of all the directors of the Company. Where the relevant laws, administrative regulations and the Articles of Association have any provisions on approval by more directors, such provisions shall apply.</p> <p>If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.</p> | <p>Article 38</p> <p>Forming of resolutions</p> <p>Adoption of or resolution on any proposal shall be subject to approval of more than half of all the directors of the Company. Where the relevant laws, administrative regulations and the Articles of Association have any provisions on approval by more directors, such provisions shall apply.</p> <p>If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.</p> |
| <p>Article 52</p> <p>The main duties of the board secretary include:</p> <p>(1) to ensure that the Company has complete organizational documents and records; to maintain and manage shareholders’ information; and to assist the directors with the day-to-day operation of the Board;</p> <p>(2) to coordinate and organize board meetings and general meetings, prepare the relevant materials for the meetings, arrange matters relating to the meetings, be responsible for taking minutes and ensuring the accuracy of the minutes, preparing and keeping documents and minutes of the meetings, actively informing himself/herself of the implementation of relevant resolutions, reporting and providing recommendations to the board on material matters that are being implemented;</p> | <p>Article 52</p> <p>The main duties of the board secretary include:</p> <p>(1) to ensure that the Company has complete organizational documents and records; to maintain and manage shareholders’ information; and to assist the directors with the day-to-day operation of the Board;</p> <p>(2) to coordinate and organize board meetings and general meetings, prepare the relevant materials for the meetings, arrange matters relating to the meetings, be responsible for taking minutes and ensuring the accuracy of the minutes, preparing and keeping documents and minutes of the meetings, actively informing himself/herself of the implementation of relevant resolutions, reporting and providing recommendations to the board on material matters that are being implemented;</p> |

| Original provisions | Amended provisions |
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| <p>(3) to act as the contact person of the Company with securities regulatory bodies, be responsible for organizing, preparing and submitting documents required by such regulatory bodies, and ensuring that the Company prepares and submits reports and documents required by the competent authorities in accordance with the law; accepting, organizing and completing tasks delegated by such regulatory bodies;</p> | <p>(3) to act as the contact person of the Company with securities regulatory bodies, be responsible for organizing, preparing and submitting documents required by such regulatory bodies, and ensuring that the Company prepares and submits reports and documents required by the competent authorities in accordance with the law; accepting, organizing and completing tasks delegated by such regulatory bodies;</p> |
| <p>(4) to be responsible for coordinating and arranging for the information disclosure of the Company, putting in place an appropriate disclosure mechanism, participating in all meetings relating to information disclosure, be made aware of the Company's material operating decisions and all related information;</p> | <p>(4) to be responsible for coordinating and arranging for the information disclosure of the Company, putting in place an appropriate disclosure mechanism, participating in all meetings relating to information disclosure, be made aware of the Company's material operating decisions and all related information;</p> |
| <p>(5) to ensure that the register of members of the Company is properly maintained and that those entitled to such records and documents of the Company are provided with them in a timely manner;</p> | <p>(5) to ensure that the register of members of the Company is properly maintained and that those entitled to such records and documents of the Company are provided with them in a timely manner;</p> |
| <p>(6) handling and coordinating the Company's public relations with relevant regulatory authorities, intermediaries and the media;</p> | <p><u>(6) to be responsible for keeping in confidence any price sensitive information of the Company, and put in place effective rules and systems for maintaining confidentiality of information. Where price sensitive information of the Company has been revealed to the public due to various reasons, necessary actions shall be taken to rectify, explain and clarify and notify the securities regulatory authorities;</u></p> |
| <p>(7) to perform other duties and responsibilities as delegated by the Board and other duties and responsibilities as required by laws and regulations and the stock exchange where the shares of the Company are listed.</p> | |

| Original provisions | Amended provisions |
|--|--|
| | <p>(7) handling and coordinating the Company’s public relations with relevant regulatory authorities, intermediaries and the media;</p> <p>(8) <u>to coordinate the provision of necessary information to the Supervisory Committee of the Company and other auditing bodies in the performance of their supervisory functions, and to assist in the proper investigation of the performance of fiduciary duty by the financial controller, directors and general manager of the Company;</u></p> <p>(9) to perform other duties and responsibilities as delegated by the Board and other duties and responsibilities as required by laws and regulations and the stock exchange where the shares of the Company are listed.</p> |
| <p>Article 56</p> <p>In the event of any matter not covered by these Rules of Procedure or any conflict with the provisions of the relevant regulations or the Articles of Association promulgated from time to time, the provisions of the relevant regulations or the Articles of Association shall prevail.</p> | <p>Article 56</p> <p>In the event of any matter not covered by these Rules of Procedure or any conflict with the provisions of the relevant <u>laws</u>, regulations, <u>the listing rules of the stock exchange of the place where the shares of the Company are listed</u> or the Articles of Association promulgated from time to time, the provisions of the relevant <u>laws</u>, regulations, <u>the listing rules of the stock exchange of the place where the shares of the Company are listed</u> or the Articles of Association shall prevail.</p> |

NOTICE OF 2023 ANNUAL GENERAL MEETING



Jilin Province Chuncheng Heating Company Limited*

吉林省春城热力股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock code: 1853)

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 annual general meeting (the “**AGM**”) of Jilin Province Chuncheng Heating Company Limited* (the “**Company**”) will be held at 9 a.m. on Friday, 17 May 2024 at the Conference Room 711, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the adoption of the work report of the Directors for the year 2023.
2. To consider and approve the adoption of the work report of the Independent Directors for the year 2023.
3. To consider and approve the adoption of the work report of the Supervisory Committee for the year 2023.
4. To consider and approve the final financial report for the year 2023.
5. To consider and approve the financial budget report for the year 2024.
6. To consider and approve the adoption of the annual report for the year 2023.
7. To consider and approve the adoption of the Group’s audited financial statements as of, and for the year ended 31 December 2023.
8. To consider and approve the Company’s profit distribution plan for the year ended 31 December 2023.
9. To authorise and approve the Board to determine the remuneration plan for the Directors for the year ended 31 December 2024 in accordance with the Company’s internal policies and relevant regulatory requirements.

* *For identification purposes only*

NOTICE OF 2023 ANNUAL GENERAL MEETING

10. To authorise and approve the Board to determine the remuneration plan for the Supervisors for the year ended 31 December 2024 in accordance with the Company's internal policies and relevant regulatory requirements.
11. To consider and approve the re-appointment of Da Hua Certified Public Accountants (Special General Partnership) as the Company's auditor for the year 2024 for a term until the conclusion of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration.
12.
 - (i) To re-elect Mr. YANG Zhongshi as an executive Director;
 - (ii) To re-elect Mr. SHI Mingjun as an executive Director;
 - (iii) To re-elect Mr. XU Chungang as an executive Director;
 - (iv) To re-elect Mr. LI Yeji as an executive Director;
 - (v) To re-elect Mr. FU Yachen as an independent non-executive Director;
 - (vi) To re-elect Mr. POON Pok Man as an independent non-executive Director; and
 - (vii) To elect Ms. ZHANG Yan as an independent non-executive Director.
13.
 - (i) To re-elect Mr. QIU Jianhua as a Supervisor of the Company; and
 - (ii) To re-elect Ms. ZHANG Wei as a Supervisor of the Company.
14. Proposed amendments to the rules of the procedure of the Board.

SPECIAL RESOLUTION

15. (I) To consider and approve the grant of a general mandate to the Board to allot, issue and deal with additional Domestic Shares and/or H Shares during the relevant period. The Board may, independently or simultaneously, allot, issue and deal with additional Domestic Shares and/or H Shares (apart from the issue of shares by

NOTICE OF 2023 ANNUAL GENERAL MEETING

conversion of the surplus reserve into the share capital in accordance with the PRC Company Law and the Articles of Association of the Company) not more than 20% of the respective number of Domestic Shares and/or H Shares in issue as at the date of passing the resolution. The exercise of the general mandate shall comply with the conditions below:

- (a) The Board may make or grant Share sales proposal and agreements which would or might require the exercise of such power after the expiry of the relevant period:

For the purpose of this resolution, the “relevant period” means the period from the date of passing this resolution until the earliest of either:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution at the AGM;
- (ii) 12 months from the date of the passing of this resolution at the AGM; and
- (iii) the date on which the authorization set out in this resolution is revoked or amended by a special resolution in a general meeting of the Company.

- (b) The number of Domestic Shares and/or H Shares to be allotted, issued or dealt with or conditionally or unconditionally agreed to be allotted, issued or dealt with (whether pursuant to the exercise of options or otherwise by the Board) shall not exceed 20% of the respective number of Domestic Shares and/or H Shares in issue as at the date of passing the relevant resolution.

- (c) The Board will exercise the power under such mandate in accordance with the PRC Company Law, other applicable laws and regulations of the PRC and the Listing Rules as amended from time to time and upon the necessary approval from the CSRC and other relevant authorities.

- (II) The Board be and is hereby authorized to make such amendments to the Articles of Association of the Company as it thinks fit so as to increase the registered share capital and reflect the new capital structure of the Company upon the allotment, issuance of and dealing with shares as contemplated in the above paragraph (I) of this resolution in accordance with the PRC Company Law, other applicable laws and regulations in the PRC and the Listing Rules; and

NOTICE OF 2023 ANNUAL GENERAL MEETING

(III) Contingent on the Board resolving to allot, issue and deal with shares of the Company pursuant to paragraph (I) of this resolution, the Board be and is hereby authorized to approve, execute and do or procure to be approved, executed and done, all such documents, deeds and things as it may consider necessary in connection with the issuance, allotment of and dealing with such shares including, without limitation, determining the size of the issue, the issue price, the use of proceeds from the issue, the target of the issue and the place and time of the issue, making all necessary applications to the relevant authorities, entering into an underwriting agreement or any other agreements, and making all necessary filings and registrations with the PRC, Hong Kong and other relevant authorities.

Yours faithfully

By order of the Board

Jilin Province Chuncheng Heating Company Limited*

Yang Zhongshi

Vice Chairman

Jilin, the PRC, 26 April 2024

Notes:

1. The register of members of the Company will be closed from Monday, 13 May 2024 to Friday, 17 May 2024 (both days inclusive), during which period no transfer of Shares of the Company can be registered. Shareholders who wish to attend and vote at the AGM must lodge all transfer documents accompanied by the relevant share certificates to (in case of H Shareholders) the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or (in case of Domestic Shareholders) the head office of the Company in the PRC, at No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC no later than 4:30 p.m. on Friday, 10 May 2024.
2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy needs not to be a Shareholder.
3. In order to be valid, the proxy form of Shareholders for the AGM must be deposited by hand or by post to (in case of H Shareholders) the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or (in case of Domestic Shareholders) the head office of the Company in the PRC, at No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC not less than 24 hours before the time for holding the AGM or any adjournment thereof for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meetings thereof should they so wish.
4. Shareholders or their proxies shall provide their identification documents when attending the AGM. In case of a corporate Shareholder, its proxy or other person authorized to attend the meeting with a resolution passed by the board of directors or other decision-making authorities of which the Shareholder is a member, should provide a copy of such resolution.

NOTICE OF 2023 ANNUAL GENERAL MEETING

5. In case of joint holders, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purpose seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the joint shareholding.
6. The on-site AGM is expected to take less than half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
7. The address of the head office of the Company in the PRC is No. 28, Block B, Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC.
8. Unless otherwise defined, capitalized terms used in this notice shall have the same meaning as those defined in the Company's circular dated 26 April 2024.

As at the date of this notice, the executive Directors of the Company 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.