H K E C L E H K L

上海大眾公用事業(集團)股份有限公司

Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

(C)

(Stock Code: 1635)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF INTEREST IN A FUND

THE SUBSCRIPTION

The Board is pleased to announce that on 10 March 2017 (after trading hours), the Company entered into the Subscription Agreement as a Limited Partner with the General Partner, the Initial Limited Partners, the other Limited Partners and the Fund, pursuant to which the Company applied to subscribe for interests in the Fund with the committed capital contribution of RMB1 billion to the Fund in accordance with the Limited Partnership Agreement. On the same day, the Company entered into the Limited Partnership Agreement as a Limited Partner with the General Partner and the other Limited Partners, which sets out the terms of the Festmu11EawhicnliIMPLICA(TSHE)-339. (SUBSC.

SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date: 10 March 2017

LIMITED PARTNERSHIP AGREEMENT

4. Principal Purpose and Investment Policy

The primary purpose of the Fund is to take advantage of opportunities in the market to acquire listed companies or mature investments which have the potential and at a low valuation in order to attain a satisfactory financial return for the Partners.

The investment policy of the Fund focuses on strategic investments in equity and industrial merger and acquisition transactions, mezzanine investments, management buyouts, bridge financings, financial investments prior to backdoor listing, takeover bids and provision of cash options.

5. Term of the Fund

The term of the Fund commenced on 10 November 2016 and will expire on 9 November 2046.

6. Investment Period and Withdrawal Period

The investment period of the Fund (the "**Investment Period**") will commence on the Closing Date and expire on the fifth anniversary of the Closing Date. Upon expiration of the investment period of the Fund, the Fund may not engage in any investment activities, including follow on investments over its existing investments, other than activities in relation to its business continuity. The withdrawal period of the Fund (the "**Withdrawal Period**") will commence on the fifth anniversary of the Closing Date and expire two years thereafter.

Notwithstanding the above, the General Partner may, at least three months prior to the expiry of the Investment Period or the Withdrawal Period (as the case may be), with a resolution approved unanimously at a general meeting by all Limited Partners who are entitled to vote, revise the Investment Period or the Withdrawal Period (as the case may be).

7. Call on Payment of Contribution

Before the Manager makes an investment, the Manager shall issue a written notice to all Partners to call on payment of Contributions for an amount necessary for such investment.

When the available funds of the Fund are less than 10% of the total amount of Contributions, the Manager may issue a written notice and make a follow-up call on the payment of Contributions by the Limited Partners.

8. Transferability of the Interest

The Limited Partners may transfer their Interest to an Independent Third Party if such transfer is approved by a resolution passed by a majority of the Limited Partners in general meeting who are entitled to vote (excluding any interested Limited Partner(s)), and subject to a right of first refusal of other Limited Partners.

The Limited Partners may transfer their Interest to other Limited Partners if such transfer is approved by a resolution passed by a majority of the Limited Partners in general meeting who are entitled to vote (excluding any interested Limited Partner(s)).

9. Management Fee

During the Investment Period, the Fund shall pay an annual management fee to the Manager, calculated on a daily weighted average basis, an amount equal to 2% of the total paid-up Contributions of the Fund as of the end of the relevant year.

During the Withdrawal Period, the Fund shall pay an annual management fee to the Manager, calculated on a daily weighted average basis, an amount equal to 1. % of the invested amount of the Fund as of the end of the relevant year.

10. Investment Decision-making Mechanism

The General Partner will form an investment committee (the "**Investment Committee**"), the members of which shall be appointed by the General Partner. The Investment Committee shall consist of seven members, and each of the Limited Partners has the right to nominate one member and each member shall have one vote.

The General Partner will form a major decision committee (the "**Major Decision Committee**"), the members of which shall be appointed by the General Partner. The Major Decision Committee shall consists of five members, and each of the Limited Partners has the right to nominate one member and each member shall have one vote.

The rules governing the operation of the Investment Committee and Major Decision Committee shall be formulated separately by the General Partner and subject to the approval of the Partners.

11. Investment Approval Authority

Any single investment amounting to equal or less than RMB200 million shall require the approval of the Investment Committee.

Any single investment amounting to more than RMB200 million and less than RMB 00 million (including RMB 00 million) shall require the approval of the Major Decision Committee.

Any single investment amounting to more than RMB 00 million shall require the approval of all Partners.

12. Distribution

The General Partner will distribute any available profits in the following order of priority: (i) first, to the Partners until each Partner has received an amount equal to 100% of its paid-up Contribution, (ii) second, to the Partners until each Partner has received an expected return of 7% per annum on the paid-up Contribution of each, and, thereafter, (iii) third, any additional profits paid to the General Partner in an amount not exceeding 2 % of the expected return paid to the Limited Partners, and (iv) lastly, as to the balance, 20% are paid to the General Partner, and 80% to the Limited Partners proportionate to their paid-up Contributions.

13. Exit

The Fund's modes of exit from its investment projects include but not limited to: initial public offering, sale of shares, sale of business, interest income and return of principal from investment in debt, share repurchase, share swap, liquidation and any other modes that the Investment Committee thinks fit.

14. Additional Subscriptions

After Subscription is closed, if the General Partner thinks fit, the General Partner may

(f) The business licence of the Fund is revoked or the Fund is ordered to be closed down or cancelled; and

(g) Any other circumstances under the PRC laws and regulations.

In an event of liquidation, the Fund will be liquidated pursuant to the PRC laws and regulations.

INFORMATION ON THE COMPANY

The principal business of the Company is the provision of public utility services in Shanghai. It also engages in strategic and financial investments in associated companies in public utility and other industries. The Company is the leading public utility service provider

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the Subscription are more than % but all applicable percentage ratios are less than 2 %, the Subscription constitutes a discloseable transaction on the part of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meaning:

''Business Day(s)''	a day (other than Saturdays or Sundays) that is not a national holiday or a public holiday in the PRC
''Closing Date''	the date on which the General Partner and the Limited Partners are registered as the Partners of the Fund with the relevant authority in the PRC
''Company''	Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (上海大眾公用事業(集團)股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 1, 1992, whose A shares and H shares have been listed on the Shanghai Stock Exchange since 4 March 1993 (stock code: 60063 .SH) and the Main Board of the Stock Exchange since December 2016 (stock code: 163)
''connected person''	has the meaning ascribed to it under the Listing Rules
''Contribution(s)''	with respect to any Limited Partner, the aggregate amount which it has committed to contribute to the Fund pursuant to the Limited Partnership Agreement by way of capital payment made in RMB by such Limited Partner
''Director(s)''	director(s) of the Company
''Fund'' or ''Partnership''	Shanghai Huacan Equity Investment Fund Partnership (上海華璨股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC in November 2016 in accordance with the PRC Partnership Law (《中華人民共和國合夥企業法》)
''General Partner''	Shanghai Hualin Equity Investment Management Center (Limited Partnership)* (上海華麟股權投資管理中心(有限合夥)), a limited partnership established in the PRC in November 2016
''Hong Kong''	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party(ies)"	a third party independent of the Company and its subsidiaries and connected persons
"Manager"	Zhejiang Xietong Capital Management Company Limited* (浙銀協同資本管理有限公司), a limited liability company incorporated in the PRC and registered as a private equity fund manager under the China Securities Investment Fund Association with administrator registration code of P1029013
"Initial Limited Partners"	the initial limited partners of the Fund holding Interests in the aggregate amount of RMB100 million, who are four individuals
"Interest"	the limited partnership interest in the Fund
"Limited Partner(s)"	the limited partner(s) of the Fund, including the Company
"Limited Partnership Agreement"	the limited partnership agreement dated 10 March 2017 and entered into by and among the General Partner and the Limited Partners
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LP1"	Shanghai Huayi Group Investment Co., Ltd. (上海華誼集團投資有限公司), a limited liability company incorporated under PRC laws, a Limited Partner that has committed to

"PRC"	The People's Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"RMB"	renminbi, the lawful currency of the PRC
"Share(s)"	