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上海大眾公用事業（集團）股份有限公司
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

A on s oc co p ny ncorpor ed n he Peop e's Rep c of Ch h w h ed l y

(Stock Code: 1635)

PROPOSED ISSUE OF THE ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS

The Board is pleased to announce that the Company proposes to issue the onshore or offshore Debt Financing Instruments to meet the demand for production, operation and development and optimize the debt structure of the Company.

According to the laws and regulations of the PRC and the Articles, the proposed issue of the Debt Financing Instruments is subject to the approval of the Shareholders by way of a special resolution and relevant regulatory authorities.

The first extraordinary general meeting for 2017 of the Company will be convened for, among other things, the approval of the proposed issue of the onshore and offshore Debt Financing Instruments. A circular containing details of the proposed issue of the Debt Financing Instruments, together with the notice of the extraordinary general meeting of the Company, is expected to be dispatched to the Shareholders in due course.

PROPOSED ISSUE OF THE DEBT FINANCING INSTRUMENTS

In order to meet the demand for production, operation and development and optimize the debt structure of the Company, the Board has approved the proposed issue of the onshore or offshore Debt Financing Instruments.

According to the laws and regulations of the PRC and the Articles, implementation of the proposed issue of the Debt Financing Instruments is subject to the approval of the Shareholders by way of a special resolution and relevant regulatory authorities.

1. SUMMARY OF THE ISSUE

(I) Type of Onshore and Offshore Debt Financing Instruments to be Issued

A resolution will be proposed at the general meeting by the Board to authorize the Board or the authorized representatives of the Board (the "**Authorized Representatives**") to jointly or severally determine the types of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments and details of priorities for repayment of creditors in accordance with laws, regulations and the relevant rules stipulated by securities regulatory authorities, as well as the resolutions of the general meeting, the Company's conditions and then prevailing market conditions at the time of issue. The onshore Debt Financing Instruments or the offshore Debt Financing Instruments proposed for issue in this resolution do not contain any provision for conversion into shares.

Company. The Authorized Representatives will jointly or severally determine the details of the placement arrangements (including whether to make such placement and the proportion of placement, etc.) in accordance with the then prevailing market conditions and other matters in connection with the issue and the laws.

(V) Term and Type of Bonds

The term of the fixed-term onshore Debt Financing Instruments or offshore Debt Financing Instruments shall be no more than 10 years (inclusive). It may have single term and type or hybrid types with multiple types; the non-fixed-term onshore Debt Financing Instruments or offshore Debt Financing Instruments are not subject to the aforementioned requirement on the term. The Authorized Representatives will jointly or severally determine the detailed term and size of each type of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments in accordance with the relevant rules and then prevailing market conditions at the time of issue.

(VI) Coupon Rate

The Authorized Representatives will determine the interest rate for the issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments as well as the method of calculation and payment thereof in accordance with the then prevailing market conditions at the time of issue and relevant rules.

(VII) Security Measures

The Authorized Representatives will jointly or severally determine the security and other credit enhancement arrangementsaselol th17-27.4301(f)-26.325(e)--36.73(a)-25.4035(l)-30.2

2. suspension of implementation of capital expenditure projects such as substantial external investments and acquisitions and mergers;

3. reduction or suspension of the payment of the salary and bonus of the directors and the senior management of the Company;

4. no re-designation of the key responsible persons.

(X) Listing Arrangements for Bonds

The Authorized Representatives will jointly or severally apply for listing of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments in accordance with the actual conditions of the Company and the prevailing market conditions.

(XI) Validity Period of Resolution

The shareholder's resolutions regarding the issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments shall be valid for a period of 36 months from the date of passing of the resolutions at the general meeting. Where the Board and/or its Authorized Representatives have, during the term of the authorization, decided the issue or partial issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments, and provided that the Company has also, during the term of the authorization, obtained the approval or license from or completed filing or registration (if applicable) with regulatory authorities on the issue, the Company may, during the validity period of such approval, license, filing or registration, complete the issue or relevant partial issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments.

2. AUTHORIZATION

To ensure effective coordination of the issue of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments and other matters in connection with the issue, a resolution will be proposed at the general meeting by the Board to authorize the management to deal with, at its/their sole discretion, all matters in connection with the issue of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments within the framework and under the principles approved at the general meeting, including but not limited to:

1. formulation and adjustment of the details of the proposal for issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments in accordance with the applicable laws, regulations and relevant provisions from regulatory authorities as well as resolutions passed at the general meeting of the Company, and based on the actual conditions of the Company and the specific conditions of the relevant debt market, including without limitation, the determination of the suitable issuer(s), timing of issue, debt athpf is)

nominal value and interest rate are determined, currency (including offshore RMB), pricing method, issue arrangements, credit enhancement arrangements including letter of guarantee or letter of support, rating arrangement, details of subscription method, whether to incorporate terms of repurchase or redemption, details of placement arrangements, use of proceeds, registration, listing of the offshore Debt Financing Instruments and place of listing, measures to mitigate repayment risks, measures to ensure debt repayment (if applicable), etc. and all matters in connection with the issue of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments;

2. determining and engaging intermediary agency, signing, implementing, amending and completing all agreements and documents relating to the issue of on

6. dealing with other relevant matters in connection with the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments;

7. subject to approval of the above authorization at the general meeting, a resolution

"PRC"	the People's Republic of China, which for the purpose of this announcement only, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC; and
"Shareholders"	the Shareholders of the Company.

By Order of the Board of Directors
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
Yang Guoping
Chairman

Shanghai, the People's Republic of China
25 May 2017

As at the date of this announcement, the Board of Directors comprises Mr. YANG Guoping, Mr. LIANG Yuwen, Ms. YIN Min, Mr. ZHANG Jinhao and Mr. YANG Defu as executive Directors; Mr. CHANG Qing, Mr. LONG Yunfei and Mr. CHEN Yipeng as non-executive Directors and Mr. JIANG Guohua, Mr. YAO Cho Fai Andrew, Mr. CHOW Lee, Mr. JIANG Hongjun and Mr. LI Zhengdong as independent non-executive Directors.

* *For identification purposes only*