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上海大眾公用事業(集團)股份有限公司

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(C : 1635)

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On 25 ay 2017, Shanghai Dazhong Jiading Sewage, an indirect wholly-owned subsidiary of the Company, and Shanghai Dazhong Financial Leasing, a non-wholly owned subsidiary of the Company, entered into the Title Transfer Agreement I, pursuant to which Shanghai Dazhong Jiading Sewage agreed to sell Asset I to Shanghai Dazhong Financial Leasing at a consideration of R B150,000,000 (equivalent to approximately HK$168,000,000). On the same date, Shanghai Dazhong Jiading Sewage and Shanghai Dazhong Financial Leasing entered into the Leaseback Contract I, pursuant to which Shanghai Dazhong Financial Leasing agreed to leaseback Asset I to Shanghai Dazhong Jiading Sewage during the Lease Period. Upon expiry of the Lease Period and subject to full performance of its obligations by Shanghai Dazhong Jiading Sewage under the Leaseback Contract I, Shanghai Dazhong Financial Leasing shall transfer the title of Asset I back to Shanghai Dazhong Jiading Sewage or any third party as designated by Shanghai Dazhong Jiading Sewage at a nominal price of R B100.

Shanghai Dazhong Jiading Sewage and Shanghai Dazhong Financial Leasing plan to conduct another after-sale leaseback transaction ("**A - L II**") with substantially the same terms and conditions as set out in the Title Transfer Agreement I and the Leaseback Contract I. Therefore according to Rule 14A.81 of the Listing Rules, the After-Sale Leaseback I is aggregated with the After-Sale Leaseback II. As all the applicable percentage ratios on an aggregated basis under Rule 14A.81 of the Listing Rules are more than 0.1% but are less than 5%, the After-Sale Leaseback I, together with the After-Sale Leaseback II are subject to the reporting an

During the Lease Period, the title of Asset I will vest in Shanghai Dazhong Financial Leasing and Shanghai Dazhong Jiading Sewage will be entitled to occupy and use Asset I.

Upon expiry of the Lease Period and subject to full performance of its obligations by Shanghai Dazhong Jiading Sewage under the Leaseback Contract I, Shanghai Dazhong Financial Leasing shall transfer the title of Asset I back to Shanghai Dazhong Jiading Sewage or any third party as designated by Shanghai Dazhong Jiading Sewage at a nominal price of R B100.

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According to the Leaseback Contract I, Shanghai Dazhong Financial Leasing agreed to provide consultancy service to Shanghai Dazhong Jiading Sewage. Shanghai Dazhong Jiading Sewage agreed to pay a handling fee, being R B4,500,000 (equivalent to approximately HK$5,040,000) to Shanghai Dazhong Financial Leasing before the Payment Date I. Such handling fee is no-refundable.

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According to the Leaseback Contract I, Shanghai Dazhong Jiading Sewage shall pay the retention money, being R B15,000,000 (equivalent to approximately HK$16,800,000) to Shanghai Dazhong Financial Leasing three (3) Business Days before the Payment Date I to guarantee the full payment of rents and other payables under the Leaseback Contract I. Shanghai Dazhong Financial Leasing shall return the retention money in full within three (3) Business Days after expiry of the Lease Period if Shanghai Dazhong Jiading Sewage performs all of its obligations under the Leaseback Contract I.

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The Leaseback Contract I shall take effect upon signing by the parties thereto.

AF E -ALE LEA EBACK II

Shanghai Dazhong Jiading Sewage and Shanghai Dazhong Financial Leasing plan to enter into the Title Transfer Agreement II and the Leaseback Contract II with substantially the same terms and conditions as set out in the Title Transfer Agreement I and the Leaseback Contract I, respectively. The consideration to be paid by Shanghai Dazhong Financial Leasing to Shanghai Dazhong Jiading Sewage under the Title Transfer Agreement II is expected to be R B150,000,000 (equivalent to approximately HK$168,000,000). The total rent to be paid by Shanghai Dazhong Jiading Sewage to Shanghai Dazhong Financial Leasing under the Leaseback Contract II is expected to be R B163,179,287.76 (equivalent to approximately HK$182,760,802.29), which was determined after arm's length nego-4.4(g2ti.4(ntrac-

INFO MA ION ON HANGHAI DA HONG JIADING E AGE

Shanghai Dazhong Jiading Sewage is a limited liability company incorporated in the PRC on 17 arch 2006 and is an indirect wholly-owned subsidiary of the Company. The principal business of Shanghai Dazhong Jiading Sewage is wastewater treatment and operation.

INFO MA ION ON HANGHAI DA HONG FINANCIAL LEA ING

Shanghai Dazhong Financial Leasing is a limited liability company incorporated in the PRC on 19 September 2014 and a non-wholly owned subsidiary of the Company. The principal business of Shanghai Dazhong Financial Leasing is financial leasing.

EA ON FO HE ALE AND LEA EBACK OF A E

The Sale and Leaseback of Assets would provide Shanghai Dazhong Jiading Sewage with an immediate cash inflow, mitigate its cash pressure, expand its financing channels and fund its project capital.

The Directors (including the Independent Non-executive Directors) consider that the terms of the terms of the Sale and Leaseback of Assets are on normal commercial terms and fair and reasonable after arm's length negotiations between the parties, and the Sale and Leaseback of Assets are in the interests of the Company and its shareholders as a whole. According to the relevant PRC laws and regulations, r. Yang Weibiao (楊衛標), the Director of the Company and also the director of Shanghai Dazhong Jiading Sewage, was required and had abstained from voting at the first meeting of the tenth session of the board of Directors of the Company approving the Title Transfer Agreement I, the Title Transfer Agreement II, the Leaseback Contract I and the Leaseback Contract II. Save as disclosed above, none of the Directors has any material interest in the Sale and Lease of Assets and thus be required to abstain from voting on the relevant board resolutions of the Company.

LI ING E IM LICA ION

Shanghai Dazhong Financial Leasing is a non-wholly owned subsidiary of the Company. It is also directly owned as to 10% by Shanghai Dazhong Business anagement, the substantial Shareholder of the Company. According to Rule 14A.16, Shanghai Dazhong Financial Leasing is a connected subsidiary of the Company. Therefore, the Disposal I contemplated under Title Transfer Agreement I constitutes a connected transaction and the Leaseback I contemplated under Leaseback Contract I constitutes a continuing connected transaction under Chapter 14A of the Listing Rules.

Shanghai Dazhong Jiading Sewage and Shanghai Dazhong Financial Leasing plan to conduct the After-Sale Leaseback II with substantially the same terms and conditions as set out in Title Transfer Agreement I and Leaseback Contract I. Therefore according to Rule 14A.81 of the Listing Rules, the After-Sale Leaseback I is aggregated with the After-Sale Leaseback II. As all the applicable percentage ratios on an aggregated basis under Rule 14A.81 of the to Listing Rules are more than 0.1% but less than 5%, the Transactions are exempt from

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The proceed from the Disposals will be utilized as general working capital of Shanghai Dazhong Jiading Sewage.

DEFINI ION

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

"After-Sale Leaseback I"	the transactions contemplated under the Title Transfer Agreement I and the Leaseback Contract I
"After-Sale Leaseback II"	the transaction contemplated under the Title Transfer Agreement II and the Leaseback Contract II
"Asset I"	Phase I, Phase II and Phase III wastewater treatment equipment located in Jiading District, Shanghai, all of which shall be transferred by Shanghai Dazhong Jiading Sewage to Shanghai Dazhong Financial Leasing according to the Title Transfer Agreement I and shall be leased back by Shanghai Dazhong Financial Leasing to Shanghai Dazhong Jiading Sewage according to the Leaseback Contract I
"Asset II"	the equipment to be transferred by Shanghai Dazhong Jiading Sewage to Shanghai Dazhong Financial Leasing according to the Title Transfer Agreement II and to be leased back by Shanghai Dazhong Financial Leasing to Shanghai Dazhong Jading Sewage according to the Leaseback Contract II
"Assets"	collectively, Asset I and Asset II
"Business Day(s)"	a day (other than Saturdays or Sundays) that is not a national holiday or a public holiday 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 1 January 1992, whose A shares and H shares have been listed on the Shanghai Stock Exchange since 4 arch 1993 (stock code: 600635.SH) and the ain Board of the Stock Exchange since 5 December 2016 (stock code: 1635)
"Consideration I"	the consideration to be paid by Shanghai Dazhong Financial Leasing to Shanghai Dazhong Jiading Sewage under the Title Transfer Agreement I, being R B150,000,000
"connected person"	has the meaning ascribed to it under the Listing Rules

‘‘Dazhong Transportation
Group

"PRC"	The People's Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the acau Special Administrative Region and Taiwan
"R B"	renminbi, the lawful currency of the PRC
"Sale and Leaseback of Assets"	collectively, the After-Sale Leaseback I and the After-Sale Leaseback II
"Shanghai Dazhong Business anagement"	Shanghai Dazhong Business anagement Co., Ltd.* (上海大眾企業管理有限公司), a limited liability company incorporated in the PRC on 10 arch 1995 and the substantial Shareholder of the Company
"Shanghai Dazhong Environment"	Shanghai Dazhong Environment Industry Co., Ltd.* (上海大眾環境產業有限公司) (formerly known as Shanghai Junji Industrial Development Co., Ltd.* (上海雋基實業發展有限公司) and Shanghai Junji Environment Industry Co., Ltd.* (上海雋基環境產業有限公司)), a limited liability company incorporated in the PRC on 14 July 2003 and an indirect wholly-owned subsidiary of the Company
"Shanghai Dazhong Financial Leasing"	Shanghai Dazhong Financial Leasing Co., Ltd.* (上海大眾融資租賃有限公司), a limited liability company incorporated in the PRC on 19 September 2014 and owned as to 40% by the Company, 25% by FCEEL, 20% by Dazhong Transportation Group, 10% by Shanghai Dazhong Business anagement and 5% by Shanghai Chengguang Business Consultation Co., Ltd.* (上海誠光商務信息諮詢有限公司), an Independent Third Party
"Shanghai Dazhong Jiading Sewage"	Shanghai Dazhong Jiading Sewage Co., Ltd.* (上海大眾嘉定污水處理有限公司), a limited liability company incorporated in the PRC on 17 arch 2006 and an indirect wholly-owned subsidiary of the Company, owned as to 10% by the Company and 90% by Shanghai Dazhong Environment
"Share(s)"	H share(s) in the capital of the Company with a nominal value of R B1.00 each
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Title Transfer Agreement I"	the title transfer agreement entered into between Shanghai Dazhong Jiading Sewage and Shanghai Dazhong Financial Leasing and any appendix thereto, pursuant to which Shanghai Dazhong Jiading Sewage agreed to sell and Shanghai Dazhong Financial Leasing agreed to purchase Asset I at a consideration of R B150,000,000
"Title Transfer Agreement II"	the title transfer agreement to be entered into between Shanghai Dazhong Jiading Sewage and Shanghai Dazhong Financial Leasing with substantially the same terms and conditions as set out in Title Transfer Agreement I
"%"	per cent

By order of the Board of Directors
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Shanghai, the People's Republic of China
25 ay 2017

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