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上海大眾公用事業(集團)股份有限公司
ang ai Daz ong P c ro p Co , Ld *

(a joint stock com any incor orat d in th P o l 's R ublic of hina with limit d liability)

_ oc Code

CONNEC ED AN AC ON
O N A AN EMEN

Reference is made to the announcement dated 13 March 2017 of Shanghai Dazhong Public Utilities (Group) Co, Ltd.* (the "**Co pany**") in relation to the subscription of interest in a fund (the "**nd Anno nce en**"). Unless otherwise specified, terms used in this announcement shall have the same meanings as defined in the Fund Announcement.

O N A AN EMEN

On 14 July 2017, the Company and Shanghai Dazhong Business Management entered into a transfer agreement (the "**ransfer Agree en**"), pursuant to which the Company agreed to transfer its capital commitment of RMB300 million (equivalent to approximately HK$345.6 million) (the "**arge**") to Shanghai Dazhong Business Management at nil consideration.

On 14 July 2017, the Company and Shanghai Dazhong Business Management entered into a supplemental agreement to the Transfer Agreement (the "**pple en ransfer Agree en**"), pursuant to which the Company agreed to enjoy profits and bear losses incurred by the projects prior to the Completion (the "**n Pro ec**") in proportion to its Initial Paid-up Contribution. Shanghai Dazhong Business Management does not have any interests in the Initial Projects. The Company and Shanghai Dazhong Business Management further agreed to enjoy profits and bear losses incurred by the projects after the Completion in proportion to their respective paid-up contribution to the Fund.

Since (1) the consideration is nil, and (2) Shanghai Dazhong Business Management does not enjoy profits and bear losses incurred by the projects prior to the Completion, the transfer of capital commitment from the Company to Shanghai Dazhong Business Management is deemed to be a joint arrangement (the "**onArrange en**") by the Company and Shanghai Dazhong Business Management for the purpose of connected transaction analysis.

* *For id ntification ur os only*

L N IMPL CA ON

As at the date of this announcement, Shanghai Dazhong Business Management is a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the entering into the Transfer Agreement constitutes a connected transaction for the Company under the Listing Rules.

As all of the relevant percentage ratios in respect of the capital commitment to be provided by the Company for the Joint Arrangement exceed 0.1% but are less than 5%, the Transfer Agreement and Joint Arrangement deemed to be contemplated thereby constitute a connected transaction of the Company which is subject to the reporting and

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The Company agreed to transfer and Shanghai Dazhong Busines

N O MA ON ON E 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 in Shanghai.

N O MA ON ON AN A DAZ ON B NE MANA EMEN

Shanghai Dazhong Business Management is mainly engaged in corporate management, investment management and investment consultancy.

N O MA ON ON E ND

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.

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The unaudited combined financial information of the Fund during the year ended 31

Mr. Yang Guoping and Mr. Liang Jiawei, who are Directors of the Company, are treated as having material interests in this Joint Arrangement, and thus have abstained from voting regarding the resolutions proposed for this Joint Arrangement by the Board of Directors. Save as disclosed above, none of the other Directors shall abstain from voting regarding the

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"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
"Initial Paid-up Contribution"	the amount which the Company has contributed to the Fund prior to the Completion, i.e. RMB500 million, equivalent to approximately HK$576 million
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"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
"Shanghai Dazhong Business Management"	Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司), a limited liability company incorporated in the PRC on 10 March 1995 and the substantial Shareholder of the Company
"Share(s)"	H share(s) in the capital of the Company with a nominal value of RMB1.00 each
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK$ at the rate of RMB1.00 to HK$1.152. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Shanghai, the People's Republic of China
14 July 2017

As at th dat of this announc m nt, th Board of Dir ctors com ris s Mr. A G Guo ing, Mr. LIA G Jiaw i, Ms. U Min, Mr. HUA G Jianhao and Mr. A G W ibiao as x cutiv Dir ctors; Mr. HA Wing Kin, Mr. LI Songhua and Mr. HEU G i Sang as non- x cutiv Dir ctors; and Mr. WA G Kaiguo, Mr. A ho Fai Andr w, Mr. H W Siu Lui, Mr. WA G Hongxiang and Mr. LIU h ngdong as ind nd nt non- x cutiv Dir ctors.

* *For id ntification ur os only*