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Stock code: 600635 Stock abbreviation: Dazhong Public Utilities Number: Lin 2018-020
Bond code: 143500 Bond abbreviation: 18 Public 01

Shanghai Dazhong Public Utilities (Group) Co., Ltd.* Announcement on Related Party Transaction in relation to Joint Investment with Related Parties

The board of directors (the "Board") of the Company and all members of the Board warrant that there are no false representations, misleading statements or material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

DEFINITIONS:

Unless otherwise stated in context, the following terms should have the following meanings in this announcement:

the Company, Company: Shanghai Dazhong Public Utilities (Group) Co., Ltd.*（上 海大眾公 事 業 集）股份有用限公司） 團

Dazhong Transportation: Dazhong Transportation (Group) Co., Ltd.*（ 大眾交通（ 集）股份有 限公司） 團

Aiqi Ruidong, the Partnership: Beijing Aiqi Ruidong Investment Management Center (Limited Partnership)* (京 愛 瑞東投資管理 （有 限 ）） 心 夥

Tibet Jinkun: Tibet Jinkun Venture Capital Management Co., Ltd.* (西藏錦創業投資管有理 限公司)

Hexie Aiqi: Hexie Aiqi Investment Management (Beijing) Co., Ltd.* (和 諧愛投資管理 京）有 限公司) 北

Partnership Agreement: the Limited Partnership Agreement for Beijing Aiqi Ruidong Investment Management Center (Limited Partnership)*（ 京 愛 瑞東投 資管理 ）（有 限 ） 心 夥

IMPORTANT NOTICE:

- The transaction does not constitute a material asset restructuring
- There exists no significant legal obstacle to the implementation of the transaction
- The Partnership, an external investment, is subject to the change 9sportation entered into the Management Agreement for Beijing Aiqi Ruidong Investme

other limited partners. Each of the Company and Dazhong Transportation will contribute RMB220 million to become limited partners of Aiqi Ruidong, with Tibet Jinkun as the general partner of Aiqi Ruidong. The related party transaction does not constitute a material asset restructuring as stipulated under the Administrative Measures on Material Asset Restructuring of Listed Companies.

As Mr. Yang Guoping, the Chairman of the Board of the Company, Mr. Liang Jiawei, an executive director, and Ms. Zhao Siyuan, a supervisor, serve concurrently as directors of Dazhong Transportation (Group) Co., Ltd., and the Company is the largest shareholder of Dazhong Transportation (Group) Co., Ltd.

4. As at December 31, 2017, Dazhong Transportation had total assets of RMB15.839 billion, net assets of RMB9.265 billion, revenue from principal businesses of RMB2.394 billion and net profit attributable to the parent company of RMB873 million (all of the above are audited data).

III. GENERAL INFORMATION OF THE SUBJECT UNDER RELATED PARTY TRANSACTION

(I) Name and type of transaction

Each of the Company and Dazhong Transportation will contribute RMB220 million to Aiqi Ruidong for joint investment. The transaction is categorized as a joint investment with related parties.

(II) General information of Aiqi Ruidong

1. Registered address: Room 201-137, Building 1, Court No. 91 South 3rd Ring Road West, Fengtai District, Beijing;
2. Business scope: Investment management, asset management and project investment. No fund shall be raised publicly; no security products and financial derivatives shall be traded publicly; no loan shall be provided; no guarantee shall be provided to other enterprises other than investees; no guarantee relating to the protection of principal or minimum returns shall be made to investors (the enterprise can engage in the business of its choice and carry out such business activities pursuant to the laws; for projects subject to approval by law, they can be carried out after obtaining approvals from relevant authorities; no business activity as prohibited by the local industrial policies and restricted by the authorities shall be carried out).
3. Scale and contribution by investors: As agreed under the Partnership Agreement, the total investment target for Aiqi Ruidong is tentatively RMB2,332,165,000, which shall be contributed by all partners. As at the publication date of this announcement, the capital contribution by the partners of Aiqi Ruidong and the proportion of their investment are set out as follows:

Name of partner	Type	Capital contribution (RMB100 million)	Proportion of investment (%)
Tibet Jinkun Venture Capital Management Co., Ltd.	General partner	0.01	0.0429
Dazhong Transportation (Group) Co., Ltd.	Limited partner	2.2	9.4333
Shanghai Dazhong Public Utilities (Group) Co., Ltd.	Limited partner	2.2	9.4333
Henan Hexie Jinyu Industrial Investment Fund (Limited Partnership)	Limited partner	7.91165	33.9241
Zhuhai Huajin Alpha No. 3 Equity Investment Fund Partnership (Limited Partnership)	Limited partner	5.544	23.7719
Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited Partnership)	Limited partner	4.95	21.2249

Zhuhai Huajin Zhongying No. 2 Equity Investment Fund Partnership (Limited Partnership)	Limited partner	0.506	2.1697
Total		23.32165	100

(III) General information of the partners

Pursuant to the Partnership Agreement, the details of the partners involved in the extern ^ form Б ъ ‘

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	person)
Registered address	Room1601, Block B, Renhe Xinzuo, Doilungdeqen District, Lhasa, Tibet Autonomous Region
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Date of establishment	November 16, 2017
Legal representative	Niu Kuiguang
Business scope	Trustee management of venture funds (excluding public funds; shall not participate in initiating or managing public or private securities investment fund and investment financial derivatives; shall not engage in real estate and guarantee business; shall not raise fund publicly, accept public deposits and provide loans; shall not engage in securities and futures investments; shall not trade securities investment products or financial derivatives products publicly; shall not operate businesses in connection with financial products, wealth management products and relevant derived businesses.)【For projects subject to approval by laws, they can be carried out after obtaining approvals from relevant authorities】

3. Limited partners

General information of the proposed limited partners of Aiqi Ruidong is set out as follows:

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

Name	Shanghai Dazhong Public Utilities (Group) Co., Ltd. (600635.SH) (1635.HK)
Profile	A company with A shares and H shares listed, with Shanghai Dazhong Business Management Co., Ltd. as its largest shareholder
Registered address	No. 518 Shangcheng Road, China (Shanghai) Pilot Free Trade Zone
Registered capital	RMB2,952,434,576
Date of establishment	January 1, 1992
Legal representative	Yang Guoping
Business scope	Industrial investment, domestic commercial business ! o E

address	Shanghai
Registered capital	RMB2,364,122,864
Date of establishment	June 6, 1994
Legal representative	Yang Guoping
Business scope	Corporate operation and management consultation, modern logistics, transportation (car rental and passenger transport between different provinces by chartered vehicles), relevant car maintenance services (for the operation of subsidiaries only), carwash bay, parking lot, motel business (or the operation of subsidiaries only), motor vehicle driver training (or the operation of subsidiaries only); investment in enterprises in line with t

Date of establishment	October 31, 2017
Executive business partner	Zhuhai Huaying Investment Co., Ltd.* ( )
Business scope	Business scope as stipulated under the Partnership Agreement: Equity investment (the private equity fund should complete filing at the AMAC in a timely manner).

(5) Zhuhai Huajin Tongda Equity Inv

	by laws, they can be carried out after obtaining approvals from relevant authorities.)

IV. EXPLANATION ON RELATED PARTY RELATIONSHIP AND OTHER INTERESTS

None of Aiqi Ruidong, Tibet Jinkun and Hexie Aiqi has any related party relation

the Partnership Agreement

VI. SOURCES OF FUNDING OF THIS RELATED PARTY TRANSACTION

The related party transaction is funded by the Company's own funds.

VII. PURPOSE OF THIS RELATED PARTY TRANSACTION AND IMPACT ON THE COMPANY

The investment is to leverage the expertise of professional investment institutions, which would be beneficial for the Company to acquire new investment opportunities and further broaden its investment channels, developing new sources of profit for the Company.

The determination of the price of the related party transaction strictly follows the principles of fairness, justice, voluntariness and integrity, without prejudice to the Company's interest and negative impact on the operation of the Company.

VIII. PROCEDURES OF CONSIDERING AND APPROVING THE RELATED PARTY TRANSACTION

1. On May 3, 2018,

related party transaction of each of the Company and Dazhong Transportation contributing RMB220 million in cash to become partners of Aiqi Ruidong:

1. Before the meeting of the Board, the Company had sufficient communication with independent directors in relation to the related party transaction and submitted relevant transaction documents, and the independent directors unanimously considered that the plan was practicable and agreed to submit the relevant proposal to the Board for discussion and voting.

2. Each of the Company and Dazhong Transportation contributing RMB220 million in cash to become partners of Aiqi Ruidong will constitute a related party transaction. Related directors abstained from voting at the Board meeting, and other non-related directors participated in the voting and agreed the proposal of the related party transaction that the procedures for voting were in compliance with the requirements of relevant laws and regulations.

3. The related party transaction is practicable. We consider that the investment has strictly followed the principles of fairness, justice, voluntariness and integrity and is in the interests of the Company and all shareholders.

IX. RISK WARNING

1. The Partnership, an external investment, is subject to the change of industrial and commercial registration and the filing procedures with the AMAC. It is uncertain whether the Partnership will be successfully established or not. The Company will closely keep track of rc D ' ect Ma ' il

(I) Resolution of the seventh meeting of the tenth session of the Board of the Company;

(II) Resolution of the seventh meeting of the tenth session of the Board of Supervisors of the Company;

(III) Limited Partnership Agreement for Beijing Aiqi Ruidong Investment Management Center (Limited Partnership), Capital Contribution Agreement for

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As Mr. Yang Guoping, the Chairman of the Board of the Company, Mr. Liang Jiawei, an executive director, and Ms. Zhao Siyuan, a supervisor, serve concurrently as directors of Dazhong Transportation (Group) Co., Ltd., and the Company is the largest shareholder of Dazhong Transportation (Group) Co., Ltd., this transaction constitutes a related party transaction of the Company pursuant to the relevant requirements under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

As of the date of this related party transaction, the related party transactions of the related transaction type between the Company and the same related party or different related parties in the last 12 months amounted to over RMB30 million, which is less than 5% of the absolute value of the latest audited net assets of the Company.

II. INFORMATION ABOUT RELATED PARTY

(I) Relationship between related parties

Mr. Yang Guoping, the Chairman of the Board of the Company, Mr. Liang Jiawei, an executive director, and Ms. Zhao Siyuan, a supervisor, serve concurrently as directors of Dazhong Transportation (Group) Co., Ltd., and the Company is the largest shareholder of Dazhong Transportation (Group) Co., Ltd..

(II) General information of the related party

1. Name: Dazhong Transportation (Group) Co., Ltd.

Type of registration: a joint stock company with limited liability (a sino-foreign equity joint venture and a listed company)

Registered office: 12/F, 1515 Zhongshan West Road, Xuhui District, Shanghai

4. As at December 31, 2017, Dazhong Transportation had total assets of RMB15.839 billion, net assets of RMB9.265 billion, revenue from principal businesses of RMB2.394 billion and net profit attributable to the parent company of RMB873 million (all of the above are audited data).

III. GENERAL INFORMATION OF THE SUBJECT UNDER RELATED PARTY TRANSACTION

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Name of partner	Type	Capital contribution (RMB100 million)	Proportion of investment (%)
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Registered address	
Date of establishment	
Legal representative	
Business scope	

3. Limited partners
General informatio
follows:
(1) Shanghai Dazh

Name	
Profile	
Registered address	
Registered capital	
Date of establishment	
Legal representative	
Business scope	

address	Shanghai
Registered capital	RMB2,364,122,864
Date of establishment	June 6, 1994
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Business scope	Corporate operation and management consultation, modern logistics, transportation (car rental and passenger transport between different provinces by chartered vehicles), relevant car maintenance services (for the operation of subsidiaries only), carwash bay, parking lot, motel business (or the operation of subsidiaries only), motor vehicle driver training (or the operation of subsidiaries only); investment in enterprises in line with t

Date of establishment	October 31, 2017
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(5) Zhuhai Huajin Tongda Equity Inv

	by laws, they can be carried out after obtaining approvals from relevant authorities.)

IV. EXPLANATION ON RELATED PARTY RELATIONSHIP AND OTHER INTERESTS

None of Aiqi Ruidong, Tibet Jinkun and Hexie Aiqi has any related party relation or arrangement of interests with the Company and its substantial shareholder, directors, supervisors or senior management. They are not party

Hexie Aiqi will serve as the fund manager of the Partnership and be responsible for management affairs. Before conducting fundraising activities, the manager has been registered as private equity fund manager with the AMAC. The registration number of the manager is P1000758.

Limited partners are prohibited from controlling or participating in the management of Aiqi Ruidong, or launching any business under the name of Aiqi Ruidong. None of the limited partners is entitled to sign any document for Aiqi Ruidong or act on behalf of Aiqi Ruidong. Unless otherwise stipulated under applicable laws or the Partnership Agreement, none of the limited partners is entitled to request for an election, dismissal or replacement of the general partner.

(VI) Management fee

The manager will not charge Aiqi Ruidong any management fee for the provision of investment management and operation service as agreed in this clause.

(VII) Method of investment and withdrawal

Except for temporary investment and cash management, the Partnership shall only undertake project investment. The method of withdrawal is that the shares of target enterprise held by the Partnership are acquired, in whole or in part, by other investors, and other methods.

(VIII) Investment decision committee

The Partnership will set up an investment decision committee that comprises of 3 members. The investment decision committee is responsible for the consideration and decision-making of project investments. All investment decisions shall be implemented by the executive business partner upon approval by a majority of the members of the investment decision committee. Members of the investment decision committee receive no remuneration from the Partnership.

(IX) Principles of allocation

Profits of the Partnership are allocated in the following manners: the distributable income of the Partnership generated from project investment, temporary investment and cash management gains obtained by the Partnership shall be allocated to all partners based on their respective proportion of paid-in capital contribution; the outstanding income of the Partnership generated from default payment by a defaulting partner and other events after deducting costs incurred shall be allocated to all non-defaulting partners according to the proportion of each of their respective paid-in capital contribution to the summation of paid-in capital contributed by non-defaulting partners.

(X) Dispute resolution

The Partnership Agreement is governed by the laws of the People’s Republic of China. Any dispute arising from or in relation to the limited partnership agreement shall first be settled by the relevant parties through amicable negotiation. If the dispute cannot be resolved through negotiation, it shall be submitted to the Beijing Arbitration Commission and be resolved through arbitration in Beijing in accordance with the existing arbitration rules of the commission. The arbitration decision is final and binding on all relevant parties. Unless the arbitration tribunal decides otherwise,

VI. SOURCES OF FUNDING OF THIS RELATED PARTY TRANSACTION

The related party transaction is funded by the Company's own funds.

VII. PURPOSE OF THIS RELATED PARTY TRANSACTION AND

contributing RMB220 million in cash to become partners in Aiqi Ruidong:

1. Before the meeting of the Board, the Company had sufficient communication with independent directors in relation to the related party transaction and submitted relevant transaction documents, and the independent directors unanimously considered that the plan was practicable and agreed to submit the relevant proposal to the Board for discussion and voting.

2. Each of the Company and Dazhong Transportation contributing RMB220

Company;

(II) Resolution of the seventh meeting of the tenth session of the Board of Supervisors of the Company;

(III) Limited Partnership Agreement for Beijing Aiqi Ruidong Investment Management Center (Limited Partnership), Capital Contribution Agreement for Beijing Aiqi Ruidong Investment Management Center (Limited Partnership) and Management Agreement for Beijing Aiqi Ruidong Equity Investment Management Center (Limited Partnership).

** For identification purposes only*