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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 joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1635)

CONNECTED TRANSACTION
PROVISION OF FACTORING FINANCING BUSINESS

INTRODUCTION

On 16 May 2023, Dazhong Factoring (a subsidiary of the Company) entered into a Domestic Factoring Business Contract with Dazhong Wanxiang, pursuant to which Dazhong Factoring has agreed to provide factoring financing to Dazhong Wanxiang and Dazhong Wanxiang has agreed to transfer its accounts receivable in Master Contracts to Dazhong Factoring, while Dazhong Factoring will conduct factoring service of accounts receivable with rights of

Transaction content : The factoring business with right of recourse to be provided by Dazhong Factoring to Dazhong Wanxiang means Dazhong Wanxiang will transfer the accounts receivable and ancillary interests incurred under the Master Contracts entered into by Dazhong Wanxiang and the Debtor as at the date of this announcement (inclusive) (including but not limited to security interests, lien interests, insurance interests, bill interests received due to such accounts receivable and any and all claims and related interests, overdue interest, penalty interest, compound interest, deposits, security deposits, insurance premiums, liquidated damages, late fees, damages, compensations and other charges payable arising from the date of transfer (inclusive)) to Dazhong Factoring, while Dazhong Factoring will provide factoring financing service for Dazhong Wanxiang.

Following the transfer of accounts receivable from Dazhong Wanxiang to Dazhong Factoring, Dazhong Factoring is entitled to all claims and ancillary interests but not obligations in relation to the accounts receivable under the Master Contracts, and Dazhong Wanxiang shall still continue to perform its obligations to Debtor under the Master Contracts, provided that Dazhong Wanxiang fails to perform the aforesaid obligations, the Debtor may not refuse to perform payment obligations to Dazhong Factoring on this ground, nor shall the Debtor require Dazhong Factoring to perform relevant contract obligations on behalf of Dazhong Wanxiang.

Where the Debtor fails to make payment when accounts receivable are due, and Dazhong Factoring has provided factoring financing to Dazhong Wanxiang, Dazhong Factoring may exercise its right of recourse against Dazhong Wanxiang by transferring the accounts receivable to Dazhong Wanxiang and require Dazhong Wanxiang to pay the accounts receivable and other amounts.

REASONS FOR THE TRANSACTION

Dazhong Wanxiang is a company with sound credibility. The transaction contemplated under the Domestic Factoring Business Contract (the "**Transaction**") will enable Dazhong Factoring to expand its business and facilitate Dazhong Factoring to generate stable income with controllable risk exposure. In the meantime, the Transaction will help Dazhong Wanxiang shorten its time to collect accounts receivable and increase fund utilization efficiency. Therefore, the Board believes Dazhong Factoring and Dazhong Wanxiang can effectively complete the Transaction.

Directors (including independent non-executive directors) are of view that the Domestic Factoring Business Contract and transaction contemplated thereunder are on normal commercial terms or better and are conducted in the ordinary and usual course of business of the Group, and are fair and reasonable and are in the interest of the Group and its Shareholders as a whole.

Mr. Yang Guoping and Mr. Liang Jiawei, our Directors, who serve as directors of Dazhong Business Management, are deemed to have material interest in the Domestic Factoring Business Contract and transaction contemplated thereunder and have abstained from voting on relevant Board resolutions. Save as disclosed above, none of the Directors has any interest in the Domestic Factoring Business Contract and transaction contemplated thereunder and be required to abstain from voting on relevant Board resolutions.

INFORMATION ABOUT CONTRACTING PARTIES

Information about Dazhong Factoring

Dazhong Factoring is a limited liability company incorporated in the PRC on 3 December

Information about Dazhong Wanxiang

Dazhong Wanxiang is a limited liability company incorporated in the PRC on 26 December 1991. Dazhong Wanxiang is a connected person of the Company and mainly engages in automobile repair and auto part sales. Dazhong Wanxiang is held by Dazhong Business Management, the single largest shareholder and a s41.4(Dntial-351.8(shareholder)-351.8(af)-451.8(th

"Dazhong Business Management"	Shanghai Dazhong Business Management Co., Ltd., a limited liability company incorporated in the PRC on 10 March 1995, the single largest shareholder and a substantial shareholder of the Company
"Dazhong Factoring"	Shanghai Dazhong Commercial Factoring Co., Ltd., a limited liability company incorporated in the PRC on 3 December 2021, a subsidiary of the Company
"Dazhong Wanxiang"	Shanghai Dazhong Wanxiang Automobile Repair Co., Ltd., a limited liability company incorporated in the PRC on 26 December 1991, a subsidiary of Dazhong Business Management
"Debtor"	Dazhong Transportation (Group) Co., Ltd. Dazhong Taxi Branch, a branch of Dazhong Transportation (Group) Co., Ltd., which is held as to approximately 26.87% by the Group as at the date of this announcement. Dazhong Transportation (Group) Co., Ltd. Dazhong Taxi Branch is a limited liability company incorporated in the PRC on 4 September 2003.
"Director(s)"	director(s) of the Company
"Domestic Factoring Business Contract"	the contract governing the provision of factoring financing business entered into by Dazhong Factoring and Dazhong Wanxiang on 16 May 2023
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

"Master Contracts"	The Vehicle Repair Services Agreement (Roewe) and the Vehicle Repair Services Agreement (Touran Taxis) entered into by and between Dazhong Wanxiang and the Debtor on 20 December 2022, in relation to the maintenance service to be conducted between 1 May 2023 and 31 December 2023.
"PRC"	The People's Republic of China, for the purposes of this announcement, excluding Hong Kong SAR, Macau SAR and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"%"	Percentage

by order of the Board of Directors
Shanghai Dazhong Public Utilities (Group) Co., Ltd.
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