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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
ENTERING INTO DOMESTIC FACTORING BUSINESS CONTRACT

DOMESTIC FACTORING BUSINESS CONTRACT

Dazhong Factoring (a subsidiary of the Company) entered into the Domestic Factoring Business Contract with Dazhong Wanxiang on August 29, 2025, pursuant to which Dazhong Factoring agreed to provide factoring financing to Dazhong Wanxiang, and Dazhong Wanxiang agreed to transfer its accounts receivable in the Underlying Contract to Dazhong Factoring in order for Dazhong Factoring to conduct factoring business of accounts receivable with recourse for Dazhong

INTROD CTION

Dazhong Factoring (a subsidiary of the Company) entered into the Domestic Factoring Business Contract with Dazhong Wanxiang on August 29, 2025, pursuant to which Dazhong Factoring agreed to provide factoring financing to Dazhong Wanxiang, and Dazhong Wanxiang agreed to transfer its accounts receivable in the Underlying Contract to Dazhong Factoring in order for Dazhong Factoring to conduct factoring business of accounts receivable with recourse for Dazhong Wanxiang.

ENTERING INTO OF DOMESTIC FACTORING B SINESS CONTRACT

The key terms of the Domestic Factoring Business Contract are set forth as follows:

Date	:	August 29, 2025
Parties	:	Shanghai Dazhong Commercial Factoring Co., Ltd.* (a subsidiary of the Company) Shanghai Dazhong Wanxiang Automobile Repair Co., Ltd.* (a connected person of the Company)
Financing amount and term of factoring financing	:	Dazhong Factoring agreed to provide a factoring financing limit of no more than RMB40.00 million to Dazhong Wanxiang for a period of no more than 12 months. Dazhong Wanxiang agreed to pay interest at an annual interest rate of 4.9% to Dazhong Factoring, with repayments to be made on a monthly basis starting from the month immediately following the release of financing amount, and one-off factoring handling charge of 1%, i.e., RMB400,000. The interest on factoring financing was determined by the parties under the principle of fairness and reasonableness after arm's length negotiation with reference to (i) the amount of accounts receivable; (ii) the structural characteristics under the Underlying Contract; (iii) the historical transactions between Dazhong Factoring and Dazhong Wanxiang; (iv) the credibility of Dazhong Wanxiang; (v) the prevailing market interest rates on similar factoring transactions; and (vi) the 5-year loan prime rate published by the People's Bank of China on the day of financing release.

REASONS FOR ENTERING INTO THE DOMESTIC FACTORING BUSINESS CONTRACT

Dazhong Wanxiang is a company with sound credibility. The transactions contemplated under the Domestic Factoring Business Contract (the "Transactions") will enable Dazhong Factoring to expand its business and generate stable income with controllable risk exposure. Meanwhile, the Transactions will not only help Dazhong Wanxiang shorten its time to collect accounts receivable and increase its fund utilization efficiency, but also allow Dazhong Factoring to expand its business scales and increase stable income. The Company retrieved a corporate credit report of Dazhong Wanxiang issued by the credit reference center of the People's Bank of China (the "Credit Report"), including the repayment history and background of credit transactions made by Dazhong Wanxiang. After reviewing the Credit Report, the Company is of the view that the evaluation results contained in the Credit Report of Dazhong Wanxiang are satisfactory and the credit risks of the Domestic Factoring Business Contract are relatively low. Therefore, the Board believes Dazhong Factoring and Dazhong Wanxiang can effectively complete the Transactions.

The Directors (including independent non-executive Directors) are of the view that the Transactions are entered into in the ordinary and usual course of business of the Group pursuant to normal commercial terms or better terms, and are fair and reasonable and in the interest of the Group and its shareholders as a whole.

As Mr. YANG Guoping and Mr. LIANG Jiawei, the executive Directors, also serve as directors of Dazhong Business Management, they are deemed to have material interests in the Transactions and have abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors has any material interest in the Transactions and is therefore required to abstain from voting on the relevant Board resolutions.

INFORMATION ON CONTRACTING PARTIES

Information on Dazhong Factoring

Dazhong Factoring is a limited liability company incorporated in the PRC on December 3, 2021. Dazhong Factoring mainly engages in factoring financing, sales ledger management and collection of accounts receivable. Dazhong Factoring is a wholly-owned subsidiary of the Company, and the Company's single largest shareholder is Dazhong Business Management. Dazhong Business Management is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee* ( ). Shanghai Dazhong Business Management Employee Share Ownership Committee* ( ) is comprised of individual members, including the employees of Dazhong Business, the employees of the Company and the employees of Dazhong Transportation (Group) Co., Ltd.* ((a joint stock company with limited liability incorporated in the PRC, whose A shares (stock code: 600611.SH) and B shares

(stock code: 900903.SH) are listed on the Shanghai Stock Exchange). As of the date of this announcement, the largest beneficial owner of Shanghai Dazhong Business Management Employee Share Ownership Committee* (
) is Mr. YANG Guoping, who holds 9.55% of the beneficial ownership interest in it. Save as disclosed above, there are no other persons who directly or indirectly hold more than 5% of the beneficial ownership interests in Shanghai Dazhong Business Management Employee Share Ownership Committee* (
).

Information about Dazhong Wanxiang

Dazhong Wanxiang is a limited liability company incorporated in the PRC on December 26, 1991. Dazhong Wanxiang is a connected person of the Company and mainly engages in automobile repair and sales of auto parts. Dazhong Wanxing is ultimately held by Dazhong Business Management, the single-largest shareholder and a substantial shareholder of the Company, which is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee* (
).

LISTING RULES IMPLICATIONS

Dazhong Factoring is a subsidiary of the Company. Dazhong Business Management is a substantial shareholder of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Dazhong Wanxiang is a subsidiary of Dazhong Business Management. Therefore, Dazhong Wanxiang is a connected person of the Company by virtue of being an associate of Dazhong Business Management. In accordance with the Listing Rules, the Domestic Factoring Business Contract and the transactions contemplated thereunder constitute a connected transaction of the Company. According to Rule 14A.81 of the Listing Rules, if a series of transactions are all entered into or completed within a 12-month period or are otherwise related, such transactions shall be aggregated and treated as if they are one transaction. As the Group conducted relevant transactions with Dazhong Wanxiang in the past 12 months, such transactions shall be calculated on an aggregated basis, and as the highest applicable percentage of the consolidated calculation of transactions exceeds 0.1% but is less than 5%, the Domestic Factoring Business Contract and transaction contemplated thereunder are subject to the announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Shanghai Dazhong Public Utilities (Group) Co., Ltd.* ( ), a joint stock company incorporated in the PRC with limited liability on January 1, 1992, whose A shares and H shares are listed on the Shanghai Stock Exchange since March 4, 1993 (stock code: 600635.SH) and the Main Board of the Hong Kong Stock Exchange since December 5, 2016 (stock code: 1635), respectively
“Dazhong Business Management”	Shanghai Dazhong Business Management Co., Ltd.* ( ), a limited liability company incorporated in the PRC on March 10, 1995 and 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 December 3, 2021, and a subsidiary of the Company
“Dazhong Wanxiang”	Shanghai Dazhong Wanxiang Automobile Repair Co., Ltd.* (

"PRC"	The People's Republic of China which, for the purpose 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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Underlying Contract"	the "Vehicle Repair Services Agreement (Roewe)" entered into between Dazhong Wanxiang and the Debtor on November 30, 2023 in relation to general repair contracting services from August 1, 2025 to July 31, 2026
"%"	percentage

By order of the Board
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
YANG Guoping
Chairman

Shanghai, the PRC
August 29, 2025

As at the date of this announcement, the executive Directors are Mr. YANG Guoping, Mr. LIANG Jiawei and Mr. WANG Baoping; the non-executive Directors are Mr. ZHAO Yeqing and Mr. JIN Yongsheng; and the independent non-executive Directors are Mr. JIANG Guofang, Ms. LI Yingqi, Mr. LIU Feng and Mr. YANG Ping.

* For identification purposes only.