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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.*

(P ' R C)

(Stock Code: 1635)

VOLUNTARY ANNOUNCEMENT
REGARDING SIGNING OF CONCESSION AGREEMENT
BY OUR SUBSIDIARY

Reference is made to the prospectus dated 23 November, 2016 (the "**Prospectus**") of Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (the "**Company**"). Pursuant to the summary section and "Business – Our Public Utility Service Business – Piped Gas Supply Operations – Operations in the Absence of a Concession Agreement in Nantong Area" section of the Prospectus, our Company and our subsidiaries have been conducting our piped gas supply operations in Nantong Area of Jiangsu Province of the People's Republic of China under gas operation permits issued by the competent government authorities. We did not hold any concession rights and did not enter into any concession agreement, primarily because the competent government authorities at the relevant time were still in the process of formulating regulatory procedures pursuant to which concession rights will be granted. The board of the Company is pleased to announce that, in order to further specify the rights and obligations of both parties, to provide an economical, safe, stable, efficient, convenient, high-quality and beneficial environmental protection and development of pipeline gas supply Industry and related services for all gas users and potential users within the scope of the concession right, Nantong Urban-rural Construction Bureau (南通市城鄉建設局) of Jiangsu Province and Nantong Dazhong Gas Co., Ltd.*(南通大眾燃氣有限公司) ("**Nantong Dazhong Gas**") which is a subsidiary of our Company signed the supplementary Concession Agreement on Urban Pipeline Gas Supply in Nantong City (《南通市市區管道燃氣特許經營協議》) (the "**Agreement**") on December 24, 2018. Set out below are the main terms of the Agreement and other information related to the Agreement.

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I. OVERVIEW OF THE AGREEMENT

Pursuant to the paragraph 3 of article 2 of the Document No. 81 of the minutes of the special meeting of Nantong Municipal People's Government (南通市人民政府專題會議紀要) on November 12, 2003, it stipulates the "Term of Joint Venture: 50 years" of Nantong Dazhong Gas, and it further specifies in article 4 that "The meeting agrees to the policy support matters proposed by the construction bureau and the relevant departments after consultation, which mainly includes: granting the joint venture company the exclusive concession right to construct and operate pipeline gas supply in the urban area for a period of 20 years." In order to further specify the rights and obligations of both parties, to provide an economical, safe, stable, efficient, convenient, high-quality and beneficial environmental protection and development of pipeline gas supply Industry and related services for all gas users and potential users within the scope of the concession right, Nantong Urban-rural Construction Bureau (南通市城鄉建設局) and Nantong Dazhong Gas signed the supplementary Concession Agreement on Urban Pipeline Gas Supply in Nantong City (《南通市市區管道燃氣特許經營協議》) on December 24, 2018.

II. INTRODUCTION OF THE AGREEMENT AND PARTIES

(I) General Information of the Parties of the Agreement

1. The Parties Concerned of the Agreement

Party A: Nantong Urban-rural Construction Bureau (南通市城鄉建設局), an authorized institution with the concession of urban pipeline gas supply in Nantong city, which authorized by Nantong Municipal People's Government (南通市人民政府) of Jiangsu Province of the People's Republic of China. Legal address: No.150 Gongnong South Road, Government Affairs Center, Nantong city, Jiangsu Province. Legal representative: Wang Kailiang Title: Director of Bureau.

Party B: Nantong Dazhong Gas Co., Ltd.* (南通大眾燃氣有限公司), the only authorized institution with the concession of urban pipeline gas supply in Nantong city. Legal address: No.59, Gongnong North Road, Nantong city Legal representative: Zhuang Jianhao Title: Chairman of the board.

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2. General Information of the Agreement

The concession right granted by Party A to Party B in the Agreement, refers to the right to invest, construct, operate, maintain, update, upgrade urban gas facilities, and to supply gas to users by pipeline, and to provide related pipeline gas services such as emergency repair and rescue and thus to charge within the scope of the franchise area exclusively during the term of the concession right.

(II) There is no other relationship between Nantong Urban-rural Construction Bureau and the Company and its holding subsidiaries in terms of association, property rights, business, assets, credit and debt, and personnel. Nantong Urban-rural Construction Bureau is an independent third party of the Company and its subsidiaries.

III. MAIN TERMS OF THE AGREEMENT

(I) Grant of the Concession Right

1. Provided that Party B agrees to accept all the terms of the Agreement and to abide by the obligations set forth herein, Party A, on behalf of Nantong Municipal People's Government, granted Party B the concession of pipeline gas supply in Nantong city.

The concession right granted by Party A to Party B under the Agreement is exclusive. Party A warrants that it will not grant the concession right of pipeline gas supply to any units or enterprise other than Party B within the same area, unless Party B fails to perform the warranties, responsibilities and obligations.

Within 20 days after the signing of this Agreement, Party A shall issue the authorization letter of the concession right to Party B and report it to Housing and Construction Department of Jiangsu Province for records.

2. Term of Validity of the Concession Right: Unless the provisions of the

(II) Construction, Maintenance and Renewal of Gas Facilities

1. Construction of Gas Facilities

Within the territorial scope of the Agreement, Party B shall, in accordance with the requirements of urban planning and gas professional planning, undertake the investment and construction of urban gas pipelines and facilities, and charge fees from users in accordance with the relevant provisions of the municipal government.

2. Land for Construction of Gas Facilities

During the concession right period, Party A shall reserve the construction land of gas facilities for Party B as planned. If the land occupied by the gas facilities invested by Party B is for public utilities, then Party B shall pay the relevant taxes and fees according to the land used for urban infrastructure and enjoy the preferential tax policies granted by the government for the gas projects according to laws and regulations. Party B shall not change the nature of the land use, nor transfer or mortgage the right to the use of the land without approval.

3. Operation, Maintenance and Renewal of Gas Facilities

During the concession right period, Party B shall operate, maintain and update the gas facilities in accordance with national and local standards and relevant regulations.

(III) Gas Supply Safety

Both parties shall strictly abide by the relevant national and local safety laws, regulations, rules and normative documents. Party B shall promise the gas supply, operation, quality, safety and service to comply with the national, industrial and local standards, and be responsible for pipeline gas supply security, public safety and propaganda of safety use within the concession right area in accordance with the law.

(IV) Capacity, Quality and Service Standards of Gas Supply

Party B shall take necessary measures to guarantee the gas demand in the concession right area. The Gas supplied by Party B shall conform to the provisions

2. Settlement of Gas Price

IV. IMPACT OF PERFORMANCE OF THE AGREEMENT ON THE COMPANY

The signing of the Agreement will further define the management area and the business scope of Nantong Dazhong, and confirm the concession right and qualification of Nantong Dazhong to exclusively engage in urban pipeline gas supply in Nantong city, and promote the Company to optimize the core industries of gas. In line with the Company's development strategy, the signing of the Agreement will have a positive impact on the Company's operation.

V. RISK ANALYSIS OF PERFORMANCE OF THE AGREEMENT

The Agreement stipulates the termination of rights, responsibilities and concessions right operation between Nantong Urban-rural Construction Bureau and Nantong Dazhong Gas, and has clear requirements on the construction, maintenance and renewal of gas facilities, safety of gas supply, service quality and standards. If Nantong Dazhong Gas fails to continuously meet the relevant requirements in the future, it may lead to the termination or cancellation of the concession right, thus adversely affecting the operation of Nantong Dazhong Gas. Nantong Dazhong Gas will guarantee the quality of gas supply, construction of gas facilities and related maintenance to ensure the smooth implementation of the Agreement. Investors should make cautious decisions and be aware of any investment risk.

By order of the Board of Directors
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
Yang Guoping
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Shanghai, the People's Republic of China
26 December 2018

A , C M . ANG G , M . LIANG J , M . M , M . H ANG J M . ANG ; - C M . CHAN K , M . LI S M . CHE NG S ; - D C M . ANG K , M . AO C F A , M . CHO S L , M . ANG H M . LI .