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上海大眾公用事業(集團)股份有限公司

a ai Daz i itie (G) C ., Ltd.*

(a joint stock compan incorporated in the People's Rep blic of China ith limited liabilit)

(t C de: 1635)

O O ED CHANGE IN E OF OCEED

Reference are made to the prospectus of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (the "**C a**") dated 23 November 20J6 (the "**e t**"), the announcement of the Company dated 2 December 20J6 in relation to the offer price and allotment results announcement of the Global Offering, and the announcement dated 29 December 20J6 in relation to the partial exercise of the Over-allotment Option. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus.

E OF OCEED

On 5 December 20J6, the Company completed its public offering of 478,940,000 H Shares (excluding over-allotment) (comprising 435,400,000 new H Shares offered by the Company and 43,540,000 H Shares sold by the Selling Shareholders). The issue price under the public offering was HK$3.60 per H Share. The net proceeds (after deducting the underwriting fees and commissions, transaction levy and trading fee) received by the Company were approximately HK$J,444.5 million. On 9 January 20J7, the Company further completed its public offering of 54,703,000 additional H Shares (comprising 49,730,000 new H Shares issued and allotted by the Company and 4,973,000 H Shares sold by the Selling Shareholders)

* *For identification p rposes onl*

O O ED CHANGE IN E OF OCEED

The Board proposed to combine item (i) and item (ii) above in one single item (the " ed C a e i f ceed "). For details, please refer to the table below:

Ite		e e ta e f et ceed t e ti ized f ite	e ai i et ceed t e ti ized f ite
			(HK$ million)
(i)	For investment in piped gas supply business, including the acquisition of equity interest in selected piped gas suppliers; and the expansion of the Group's wastewater treatment operations, including expansion and renovation of existing plants and potential acquisition of new plants or operations in connection with the PPP reform program.	65%	990.4(1)
(ii)	For investment in other public utility businesses.	25%	404.9
(iii)	For funding the Group's working capital and other general corporate purposes.	10%	161.9
Ta		**100%**	**1,557.2(2)**

Notes:

(1) The remaining net proceeds to be utilized for such item is calculated based on The Total Net Proceeds (i.e. HK$1,619.5 million) being multiplied by 65% after deduction of the utilized net proceeds (i.e. HK$62.3 million).

(2) The remaining total net proceeds is calculated based on the Total Net Proceeds (i.e. HK$1,619.5 million) after deduction of the utilized net proceeds (i.e. HK$62.3 million).

EA ON FO HE O O ED CHANGE IN E OF OCEED

We make investments in public utilities, including piped gas supply business, wastewater treatment operations and other public utility business. As the investment capital requirement for a single investment project is uncertain and the investment amount for a single project in piped gas supply business or wastewater treatment operations may exceed the limit allocated to such item pursuant to the Original Use of Proceeds Plan, the Board proposed to combine the item of piped gas supply business with the item of wastewater treatment operations.

The Proposed Change in Use of Proceeds will be beneficial for the Company to better utilize its financial resources. The Board considered that those changes will provide the Company with more business development opportunities in the future, which is in line with the current business needs of the Company and is beneficial to the continuing and rapid development of the Group.

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considers that the Proposed Change in Use of Proceeds is in the best interests of the Company and its Shareholders as a whole.

OTHER MATTERS

According to the Articles of Association of the Company and the relevant laws and regulations, the Proposed Change in Use of Proceeds is subject to the approval of the Shareholders of the Company by way of ordinary resolution at the general meeting of the Company. The Company has resolved at the Board meeting held on 29 March 2019 that an ordinary resolution to consider and approve the Proposed Change in Use of Proceeds and to authorize the Board and its authorized persons to do such other related matters will be proposed at the forthcoming annual general meeting of the Company (the "**AGM**") to be convened by the Board in due course. A circular containing, among other things, the details of the Proposed Change in Use of Proceeds and a notice in respect of the AGM will be despatched to the shareholders of the Company in due course.

By order of the Board
[illegible] (Group) Co., Ltd.*
[illegible]
Chairman

Shanghai, the People's Republic of China

March 29, 2019

As at the date of this notice, the executive directors of the Company are Mr. YANG Guoping, Mr. LIANG Jiawei, Ms. YU Min, Mr. ZHUANG Jianhao and Mr. YANG Weibiao; the non-executive directors of the Company are Mr. CHAN Wing Kin, Mr. LI Songhua and Mr. CHEUNG Yip Sang; and the independent non-executive directors of the Company are Mr. WANG Kaiguo, Mr. YAO Cho Fai Andrew, Mr. CHOW Siu Lui, Mr. WANG Hongxiang and Mr. LIU Zhengdong.