Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 AND CONTINUING CONNECTED TRANSACTIONS TITLE TRANSFER AND LEASEBACK OF ASSETS

TITLE TRANSFER AGREEMENT AND LEASEBACK

On 29 April 2024, Dazhong Financial Leasing, being a non-wholly owned subsidiary of the Company, entered into the Title Transfer Agreement and the Financial Leasing Contract with Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang. The Assets were transferred from Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang to Dazhong Financial Leasing. Meanwhile, the Assets shall be leased back to Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang which are also obliged to pay rents.

IMPLICATIONS OF THE LISTING RULES

C

Dazhong Financial Leasing is a non-wholly owned subsidiary of the Company. Dazhong Business Management is the substantial shareholder of the Company. Each of Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang is a subsidiary of Dazhong Business Management, a substantial shareholder of the Company. Therefore Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang are connected persons of the Company by virtue of being associates of Dazhong Business Management. The Title Transfer constitutes a connected transaction for the Company under the Listing Rules. As the highest applicable percentage ratio in respect of the Title Transfer is higher than 0.1% but less than 5%, the Title Transfer is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

C

The Leaseback also constitutes continuing connected transactions for the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Caps is higher than 0.1% but less than 5%, the Leaseback is subject to the reporting, annual review and announcement requirements, but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 29 April 2024, Dazhong Financial Leasing, being a non-wholly owned subsidiary of the Company, entered into the Title Transfer Agreement and the Financial Leasing Contract with Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang. The Assets were transferred from Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang to Dazhong Financial Leasing. Meanwhile, the Assets shall be leased back to Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang which are also obliged to pay rents.

TITLE TRANSFER AGREEMENT

The principal terms of the Title Transfer Agreement are summarized as follows:

Date: 29 April 2024

Parties: Transferors: Dazhong Business Management, a substantial shareholder of the Company; Dazhong Xingguang, a wholly owned subsidiary of Dazhong Business Management; Dazhong Wanxiang, an indirect subsidiary of Dazhong Business Management; and Shanghai Yixiang, an indirect subsidiary of Dazhong Business Management.

Transferee: Dazhong Financial Leasing, a non-wholly owned subsidiary of the Company.

Pursuant to the Title Transfer Agreement, the Transferors agreed to sell and the Transferee agreed to purchase the Assets at a consideration of RMB145,000,000, which was determined after negotiations between the parties with reference to the value of the Assets, being approximately RMB185,796,400. Pursuant to the Valuation Report dated 31 December 2023, the operating licenses and taxis were valued at approximately RMB134,042,700 and equipment and ancillary tools at approximately RMB51,753,700. The Consideration shall be paid in full in cash by the Transferee to the Transferors within five (5) Business Days upon satisfaction of the following conditions:

(1) The execution of the Title Transfer Agreement and the Financial Leasing Contract, as well as all the attachments and legal documents;

(2) The Transferee having received a deposit of RMB14,500,000 and a handling fee of RMB3,045,000 under the Financial Leasing Contract from the Transferors.

E

The Title Transfer Agreement shall take effect upon execution of the Financial Leasing Contract.

T T

Upon payment of the Consideration by the Transferee to the Transferors, the title of the Assets will be transferred from the Transferors to the Transferee.

FINANCIAL LEASING CONTRACT

The principal terms of the Financial Leasing Contract are summarized as follows:

Date:	29 April 2024
Parties:	Lessees: Dazhong Business Management, a substantial shareholder of the Company; Dazhong Xingguang, a wholly owned subsidiary of Dazhong Business Management; Dazhong Wanxiang, an indirect subsidiary of Dazhong Business Management; and Shanghai Yixiang, an indirect subsidiary of Dazhong Business Management. Lessor: Dazhong Financial Leasing, a non-wholly owned subsidiary of the Company.
Lease period:	36 months, commencing from the date of payment of the Consideration by Lessor (the "**L P** ")

Pursuant to the Financial Leasing Contract, the Assets shall be leased back to the Lessees during the Lease Period at the total rent of RMB155,943,183, which was determined based on an annual rental rate of 4.55% with reference to the RMB loan benchmark interest rate of the People's Bank of China and a handling charge of RMB3,045,000. Such lease consideration shall be paid in cash by the Lessees to the Lessor during the Lease Period in twelve (12) installments on a quarterly basis.

A C

The maximum annual cap for the Leaseback under the Financial Leasing Contract for each of the year upon the Financial Leasing Contract becoming effective is RMB55,026,061 (comprises an annual rent of RMB51,981,061 and an one-off handling charge of RMB3,045,000 for the first year payable by the Lessees), which is determined based on the annual rent payable by the Lessees

INFORMATION ON THE TRANSFEREE/LESSOR

The Transferee/Lessor is a limited liability company incorporated in the PRC on 19 September 2014. The Transferee/Lessor is a non-wholly owned subsidiary of the Company which principally engages in financial leasing activities. The Transferee/Lessor is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee, which is a holding company.

INFORMATION ON THE TRANSFERORS/LESSEES

Dazhong Business Management is a limited liability company incorporated in the PRC on 10 March 1995. The principal business of Dazhong Business Management includes taxi operation service, investment management service, investment consulting service and sales of auto parts. Dazhong Business Management is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee, which is a holding company.

Dazhong Xingguang is a limited liability company incorporated in the PRC on 10 July 1990. The principal business of Dazhong Xingguang is taxi operation. Dazhong Xingguang is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee, which is a holding company.

Dazhong Wanxiang is a limited liability company incorporated in the PRC on 26 December 1991. The principal business of Dazhong Wanxiang includes auto repair and sales of auto parts. Dazhong Wangxiang is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee, which is a holding company.

Shanghai Yixiang is a limited liability company incorporated in the PRC on 28 April 1997. The principal business of Shanghai Yixiang includes quality inspection services. Shanghai Yixiang is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee, which is a holding company.

REASONS FOR THE TITLE TRANSFER AND LEASEBACK OF ASSETS

The Title Transfer and Leaseback of Assets are conducive to the expansion of the business scale and to the increase of stable income for the Transferee/Lessor. The qualifications of the Transferors/Lessees are satisfactory. The risks associated with the current finance lease are relatively small, and the rental return can be guaranteed with no damage to the interests of small and medium-sized shareholders.

The Directors (including the independent non-executive Directors) consider that the terms of the Title Transfer and Leaseback of Assets are on normal commercial terms or better and in the ordinary and usual course of business of the Group, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

As at the date of this announcement, Mr. Yang Guoping and Mr. Liang Jiawei, who are the executive Directors and also the directors of Dazhong Business Management, are deemed to have material interest in the Title Transfer and Leaseback of Assets and were required to abstain and had abstained from voting at the fourth meeting of the twelfth session of the Board approving the Title Transfer Agreement and the Financial Leasing Contract. Save as disclosed above, none of the Directors has any material interest in the Title Transfer and Leaseback of Assets and thus is required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATION

C

Dazhong Financial Leasing is a non-wholly owned subsidiary of the Company. Dazhong Business Management is the substantial shareholder of the Company. Each of Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang is a subsidiary of Dazhong Business Management, a substantial shareholder of the Company. Therefore, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang are connected persons of the Company by virtue of being associates of Dazhong Business Management. The Title Transfer constitutes a connected transaction for the Company under the Listing Rules. As the highest applicable percentage ratio in respect of the Title Transfer is higher than 0.1% but less than 5%, the Title Transfer is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

C

The Leaseback also constitutes continuing connected transactions for the Company under the Listing Rules. As the highest applicable percentage ratio in respect of the Annual Caps is higher than 0.1% but less than 5%, the Leaseback is subject to the reporting, annual review and announcement requirements, but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

"Annual Caps"	the annual caps of the Leaseback under the section headed "Annual Caps"

‘‘Assets’’	the 564 taxis (with operating licenses), equipment and ancillary works which form the subject matter under the Title Transfer Agreement and the Financial Leasing Contract, among which (i) 336 taxis (with operating licenses) belong to Dazhong Business Management; (ii) 228 taxis (with operating licenses) belong to Dazhong Xingguang; (iii) equipment and ancillary works with an aggregate book value of RMB42,111,289.01 belong to Dazhong Wanxiang; and (iv) equipment and ancillary works with an aggregate book value of RMB4,796,096.89 belong to Shanghai Yixiang
‘‘Board ’’	the Board of Directors
‘‘Company’’	Shanghai Dazhong Public Utilities (Group) Co., Ltd, a joint stock company with limited liability incorporated in the PRC on 1 January 1992, whose A shares and H shares have been listed on the Shanghai Stock Exchange since 4 March 1993 (stock code: 600635.SH) and the Main Board of the Stock Exchange since 5 December 2016 (stock code: 1635)
‘‘Consideration’’	the consideration pursuant to the Title Transfer Agreement, which is RMB145,000,000
‘‘Dazhong Business Management’’	Shanghai Dazhong Business Management Co., Ltd, a limited liability company incorporated in the PRC on 10 March 1995 and the substantial shareholder of the Company
‘‘Dazhong Financial Leasing’’	Shanghai Dazhong Financial Leasing Co., Ltd., a limited liability company incorporated in the PRC on 19 September 2014 and 55% owned by the Company
‘‘Dazhong Wanxiang’’	Shanghai Dazhong Wanxiang Auto Repair Co., Ltd., a limited liability company incorporated in the PRC on 26 December 1991 and indirect wholly owned by Dazhong Business Management
‘‘Dazhong Xingguang’’	

"Group"	the Company and its subsidiaries
"Leaseback"	the leaseback of Assets from the Lessor to the Lessees pursuant to the Title Transfer Agreement
"Lessees"	Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang
"Lessor"	Dazhong Financial Leasing
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Percentage ratio (s)"	has the meaning ascribed to it in the Listing Rules
"PRC"	The People's Republic of China which, for the purposes 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
"Shanghai Yixiang"	Shanghai Yixiang Motor Vehicle Testing Co., Ltd., a limited liability company incorporated in the PRC on 28 April 1997 and indirect wholly owned by Dazhong Business Management
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Title Transfer"	the title transfer of Assets from the Transferor to the Transferees pursuant to the Title Transfer Agreement
"Title Transfer Agreement"	the title transfer agreement dated 29 April 2024 entered into among Dazhong Financial Leasing, Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang
"Title Transfer and Leaseback of Assets"	Title Transfer and Leaseback
"Transferee"	Dazhong Financial Leasing
"Transferors"	Dazhong Business Management, Dazhong Xingguang, Dazhong Wanxiang and Shanghai Yixiang

"Valuation Report"	the valuation report dated 31 December 2023, which assessed the value of the taxis and their operating licenses, equipment and ancillary works under the Assets using the cost approach and income approach

By order of the Board
S D P U (G) C ., L .*
Y G
Chairman

Shanghai, China
29 April 2024

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. JIN Yongsheng and Mr. SHI Pingyang; and the independent non-executive Directors are Mr. JIANG Guofang, Ms. LI Yingqi, Mr. LIU Feng and Mr. YANG Ping.

* For identification purposes only.