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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
ENTERING INTO DOMESTIC FACTORING BUSINESS CONTRACT

DOMESTIC FACTORING BUSINESS CONTRACT

On 11 September 2024, Dazhong Factoring (a subsidiary of the Company) entered into the 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 the Master Contracts to Dazhong Factoring for Dazhong Factoring to conduct factoring of accounts receivable with recourse for Dazhong Wanxiang.

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. According to the Listing Rules, the Domestic Factoring Business Contract and transaction 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 the same 12-month period or are otherwise related such transactions shall be calculated on an aggregated basis and treated as a single transaction. As the Group conducted relevant transactions with Dazhong Wanxiang within the past twelve 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 requirement but are exempted from the circular and independent shareholder's approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 11 September 2024, Dazhong Factoring (a subsidiary of the Company) entered into the 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 the Master Contracts to Dazhong Factoring for Dazhong Factoring to conduct factoring of accounts receivable with recourse for Dazhong Wanxiang.

ENTERING INTO DOMESTIC FACTORING BUSINESS CONTRACT

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

Date	:	11 September 2024
Contracting 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 Dazhong Wanxiang with factoring financing with an amount of no more than RMB50 million with a term of no more than 12 months. Dazhong Wanxiang agreed to pay Dazhong Factoring interest at an annual interest rate of 4.9% which shall be repaid monthly from the 2nd month of the release of financing amount, and one-off handling commission of RMB500,000. The factoring interest has been determined by the parties under the principle of fairness and reasonableness after arm's length negotiation with reference to (i) accounts receivable amount; (ii) features in the Master Contracts; (iii) historical transactions between Dazhong Factoring and Dazhong Wanxiang; (iv) credibility of Dazhong Wanxiang; (v) prevalent market interest for similar factoring transactions; and (vi) 5-year loan prime rate quoted by People's Bank of China on the financing release date.

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 facilitate Dazhong Factoring to generate stable income with controllable risk exposure. In the meantime, the Transactions will help Dazhong Wanxiang shorten its time to collect accounts receivable and increase fund utilization efficiency as well as expand business scales and increase stable income for Dazhong Factoring. Therefore, the Board believes Dazhong Factoring and Dazhong Wanxiang can effectively complete the Transactions.

Directors (including independent non-executive Directors) are of the view that the Transactions are on normal commercial terms or better terms 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, the executive Directors, who serve as directors of Dazhong Business Management, are deemed to have material interest in the Transactions and have abstained from voting on relevant Board resolutions. Save as disclosed above, none of the Directors has any material interest in the Transactions 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 2021. Dazhong Factoring mainly engages in factoring financing, sales ledger (journal) management and collection of accounts receivable, etc. Dazhong Factoring is a wholly-owned subsidiary of the Company and Dazhong Business Management is the single largest shareholder of the Company. Dazhong Business Management is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會), which is a holding vehicle. Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會) is composed of individual members including the employees of Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司), the employees of the Company, and the employees of Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份有限公司

"Board"	the board of Directors
"Company"	Shanghai Dazhong Public Utilities (Group) Co., Ltd, a joint stock company incorporated in the PRC with limited liability on 1 January 1992, whose A Shares and H Shares are listed on the Shanghai Stock Exchange (stock code: 600635.SH) and the main board of the Hong Kong Stock Exchange (stock code: 1635) on 4 March 1993 and 5 December 2016, respectively
"Dazhong Business Management"	Shanghai Dazhong Business Management Co.,a46289.9

"Master Contracts"	The Vehicle Repair Services Agreement (Roewe) entered into by and between Dazhong Wanxiang and the Debtor on 30 November 2023, in relation to the maintenance package conducted between 1 September 2024 and 31 August 2025
"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
Shanghai Dazhong Public Utilities (Group) Co., Ltd
YANG Guoping
Chairman

Shanghai, the PRC
11 September 2024

As of 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 purpose only*