

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 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.

Transaction content : The proposed factoring business of accounts receivable with recourse by Dazhong Factoring to Dazhong Wanxiang means Dazhong Wanxiang transfers all creditor's rights and affiliated interests of all or part of accounts receivable and all interests, overdue interest, penalty interest, compound interest, deposits, security deposits, insurance premiums, liquidated damages, late fees, damages, compensations and other charges payable under the Master Contracts with the Debtor, and the ancillary interests (including but not limited to security interests, lien interests, insurance interests, rights of withdrawal of bill interests and other interests) to Dazhong Factoring for Dazhong Factoring to provide factoring financing business to Dazhong Wanxiang.

Following the transfer of accounts receivable from Dazhong Wanxiang to Dazhong Factoring, Dazhong Factoring is entitled to all rights and affiliated interests but not included any obligations in relation to the accounts receivable under the Master Contracts, and Dazhong Wanxiang shall still continue to perform its obligations to the Debtor under the Master Contracts, provided that if Dazhong Wanxiang fails to perform the aforesaid obligations, the Debtor may not refuse to perform payment obligations to Dazhong Factoring on this ground, nor shall the Debtor require Dazhong Factoring to perform relevant contract obligations on behalf of Dazhong Wanxiang.

Where the Debtor fails to make payment as agreed when accounts receivable are due, and Dazhong Factoring has provided factoring financing proceeds to Dazhong Wanxiang, Dazhong Factoring may exercise its right of recourse against Dazhong Wanxiang by transferring the accounts receivable back to Dazhong Wanxiang and require Dazhong Wanxiang to pay the proceeds of back-transferring of accounts receivable and other amounts.

Past transaction amount : Within the past 12 months, the factoring financing amount provided by Dazhong Factoring to Dazhong Wanxiang was RMB50 million, with an interest rate of 4.9% per annum and one-off handling commission of RMB500,000.

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) (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 the 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 Mr. Yang Guoping, who holds 9.55% of the beneficial ownership interest in it. Except for the above disclosure, there are no other persons who directly or indirectly hold more than 5% of the beneficial ownership interest in the 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).

Information about Dazhong Wanxiang

Dazhong Wanxiang is a limited liability company incorporated in the PRC on 26 December 1991. Dazhong Wanxiang is a connected person of the Company and mainly engages in automobile repair and auto part sales. Dazhong Wanxiang is held by Dazhong Business Management, the single largest shareholder and a Substantial Shareholder of the Company, and 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).

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 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 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 calculated on an aggregated basis exceeds 0.1% but is less than 5%, the Domestic Factoring Business Contract and transactions 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.

DEFINITIONS

“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., Ltd., a limited liability company incorporated in the PRC on 10 March 1995, 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 3 December 2021, a subsidiary of the Company
“Dazhong Wanxiang”	Shanghai Dazhong Wanxiang Automobile Repair Co., Ltd., a limited liability company incorporated in the PRC on 26 December 1991, a subsidiary of Dazhong Business Management
“Debtor”	Dazhong Transportation (Group) Co., Ltd Dazhong Taxi Branch, a branch of Dazhong Transportation (Group) Co., Ltd., which is held as to approximately 26.87% by the Group as at the date of this announcement. Dazhong Transportation (Group) Co., Ltd Dazhong Taxi Branch is a limited liability company incorporated in the PRC on 4 September 2003
“Director(s)”	director(s) of the Company
“Domestic Factoring Business Contract”	the contract governing the provision of domestic factoring financing business entered into by Dazhong Factoring and Dazhong Wanxiang on 11 September 2024
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“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*