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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
PROVISION OF CYLINDER LPG TRANSPORTATION SERVICES
AND
CLARIFICATION ANNOUNCEMENT OF
CONNECTED TRANSACTION ENTERING INTO
DOMESTIC FACTORING BUSINESS CONTRACT**

**CONNECTED TRANSACTION IN RELATION TO PROVISION OF CYLINDER
LPG TRANSPORTATION SERVICES**

On December 28, 2023, Shanghai Gas Chongming engaged Dazhong Logistics Delivery (a subsidiary of the Company) to provide Cylinder LPG Transportation Services for multiple times, pursuant to which Shanghai Gas Chongming entrusts Dazhong Logistics Delivery to provide services for transporting, completion of distribution, connection and installation and safety check for its cylinder LPG to the vicinities of Chongming Island, Hengsha Island and Changxing Island in Chongming District, Shanghai, the PRC (specific areas subject to further determination by both parties), while Shanghai Gas Chongming shall pay a service fee of RMB1,682,867 to Dazhong Logistics Delivery.

LISTING RULES IMPLICATIONS

Dazhong Logistics Delivery is a subsidiary of the Company. Shanghai Gas is a substantial shareholder of Shanghai Dazhong Gas, a subsidiary of the Company and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Shanghai Gas Chongming is wholly owned by Shanghai Gas. Therefore, Shanghai Gas Chongming is a connected person of the Company by virtue of being an associate of Shanghai Gas. According to the Listing Rules, the Cylinder LPG Transportation Services and transactions contemplated thereunder constitute connected transactions of the Company. According to Rule 14A.81 of the Listing Rules, if a series of transactions all take place or are completed within the same 12-month period or relevant transactions are connected with each other, such transactions shall be calculated on an aggregate basis and treated as a single transaction. As the Group has conducted relevant transactions with Shanghai Gas Chongming in the past twelve months, such transactions shall be calculated on an aggregate basis. As the highest applicable percentage ratio in respect of the Cylinder LPG Transportation Services and transactions contemplated thereunder is higher than 0.1% but less than 5%, the Cylinder LPG Transportation Services and transactions contemplated thereunder is 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 December 28, 2023, Shanghai Gas Chongming engaged Dazhong Logistics Delivery (a subsidiary of the Company) to provide the Cylinder LPG Transportation Services for multiple times, pursuant to which Shanghai Gas Chongming entrusts Dazhong Logistics Delivery to provide services for transporting, completion of distribution, connection and installation and safety check for its cylinder LPG to the vicinities of Chongming Island, Hengsha Island and Changxing Island in Chongming District, Shanghai, the PRC (specific areas subject to further determination by both parties), while Shanghai Gas Chongming shall pay a service fee of RMB1,682,867 to Dazhong Logistics Delivery.

CYLINDER LPG TRANSPORTATION SERVICES

Major terms of the Cylinder LPG Transportation Services are as follows:

- Date: December 28, 2023
- Parties: Client: Shanghai Gas Chongming Co., Ltd. (a connected person of the Company)
- Services Provider: Shanghai Dazhong Run Logistics Delivery Co., Ltd. (a subsidiary of the Company)
- Contents: Shanghai Gas Chongming entrusts Dazhong Logistics Delivery to provide services for transporting, completion of distribution, connection and installation and safety check for its cylinder LPG of the vicinities of Chongming Island, Hengsha Island and Changxing Island in Chongming District, Shanghai, PRC (specific areas subject to further determination by both parties), while Shanghai Gas Chongming shall pay a service fee of RMB1,682,867 to Dazhong Logistics Delivery.
- Consideration: The consideration for the Cylinder LPG Transportation Services is RMB1,682,867, which is determined with reference to the multiplication of the unit price of per-cylinder LPG transportation service agreed with Dazhong Logistics Delivery for cylinder LPG to different varieties based on delivery area by the quantities transported.
- Payment method: Delivery service fee shall be settled on a monthly basis, whereby Shanghai Gas Chongming and Dazhong Logistics Delivery shall check the bill and to confirm quantities transported are in order within five (5) days from end of the monthly settlement period. Dazhong Logistics Delivery will subsequently issue invoices and Shanghai Gas Chongming shall pay the transportation service fees within five (5) days upon receipt. Shanghai Gas Chongming shall transfer the corresponding amounts into the bank account designated by Dazhong Logistics Delivery in a manner mutually acceptable by both parties.

REASONS FOR CYLINDER LPG TRANSPORTATION SERVICES

Shanghai Logistics Delivery has sufficient understanding of business and needs of Shanghai Gas Chongming, and can communicate with it effectively. In addition, Dazhong Logistics Delivery has rich transportation and distribution experience and professional qualifications. Therefore, the Board believes Dazhong Logistics Delivery can effectively provide the Cylinder LPG Transportation Services to Shanghai Gas Chongming.

Directors (including independent non-executive Directors) are of the opinion that the Cylinder LPG Transportation Services and transactions contemplated are on normal commercial terms or better and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Group and its shareholders as a whole.

Mr. SHI Pingyang, the non-executive Director, also serves as a director of Shanghai Gas, is deemed to have a material interest in the Cylinder LPG Transportation Services and transactions contemplated thereunder and has abstained from voting on relevant Board resolutions. Save as disclosed above, none of the Directors has any material interest in the Cylinder LPG Transportation Services and transactions contemplated thereunder and be required to abstain from voting on relevant Board resolutions.

INFORMATION ABOUT PARTIES

Information on Shanghai Gas Chongming

Shanghai Gas Chongming is a limited liability company incorporated in the PRC on April 18, 1992. Shanghai Gas Chongming is a connected person of the Company, it mainly engages in transmission, distribution and sales services of pipeline gas (LPG, natural gas), bottled gas (LPG) and other gases. The ultimate beneficial owner of Shanghai Gas Chongming is Shanghai State-owned Assets Supervision and Administration Commission.

Information on Dazhong Logistics Delivery

Dazhong Logistics Delivery is a limited liability company incorporated in the PRC on August 3, 2023. Dazhong Logistics Delivery mainly engages in freight transportation and packaging services. Dazhong Logistics Delivery is wholly owned by Dazhong Run, which is 80% owned by the Company, and is an indirect subsidiary of the Company. The single largest shareholder and a substantial shareholder of the Company is Dazhong Business Management, and Dazhong Business Management is ultimately held by Shanghai Dazhong Business Management Employee Ownership Committee* (上海大眾企業管理有限公司職工持股會), which is a holding vehicle.

LISTING RULES IMPLICATIONS

Dazhong Logistics Delivery is a subsidiary of the Company. Shanghai Gas is a substantial shareholder of Shanghai Dazhong Gas, a subsidiary of the Company and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Shanghai Gas Chongming is wholly owned by Shanghai Gas. Therefore, Shanghai Gas Chongming is a connected person of the Company by virtual of being an associate of Shanghai Gas. According to the Listing Rules, the Cylinder LPG Transportation Services 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 all take place or are completed within the same 12-month period or relevant transactions are connected with each other, such transactions shall be calculated on an aggregate basis and treated as a single transaction. As the Group has conduct relevant transactions with Shanghai Gas Chongming in the past twelve months, such transactions shall be calculated on an aggregate basis. As under aggregate basis calculation, the highest applicable percentage ratio in respect of the Cylinder LPG Transportation Service and transaction contemplated thereunder is higher than 0.1% but less than 5%, the Cylinder LPG Transportation Services and transactions contemplated thereunder is subject to the announcement requirement under chapter 14A of the Listing Rules, but are exempted from the circular and independent shareholder's approval requirement.

CLARIFICATION OF ANNOUNCEMENT IN RELATION TO “CONNECTED TRANSACTION – ENTERING INTO DOMESTIC FACTORING BUSINESS CONTRACT”

The Company would like to clarify that, in the English version of the announcement of the Company dated December 14, 2023 on “Connected Transaction - Entering into Domestic Factoring Business Contract” (the “**Announcement**”), due to a clerical error, the 3rd paragraph of the “Transaction content” of the “Entering into Domestic Factoring Business Contract” shall be read as “**Dazhong Factoring** may exercise its right of recourse against Dazhong Wanxiang by transferring the accounts receivables to Dazhong Wanxiang and require Dazhong Wanxiang to pay the accounts receivables and other amounts.” instead of “**Dazhong Wanxiang** may exercise its right of recourse against Dazhong Wanxiang by transferring the accounts receivables to Dazhong Wanxiang and require Dazhong Wanxiang to pay the accounts receivables and other amounts.” The relevant disclosure in the Chinese version of the Announcement is correct.

Save for the information stated above, all the information in the Announcement remains unchanged.

DEFINITIONS

“Board”	board of Directors
“Company”	Shanghai Dazhong Public Utilities (Group) Co., Ltd. a joint stock company incorporated in the PRC with limited liability on January 1, 1992, whose A Shares were listed on the Shanghai Stock Exchange (stock code: 600635.SH) on March 4, 1993, and whose H shares were listed on the main board of the Stock Exchange (stock code: 1635) on December 5, 2016.
“Cylinder LPG Transportation Services”	The provision of cylinder LPG transportation services provided by Dazhong Logistics Delivery to Shanghai Gas Chongming
Dazhong Business Management”	Shanghai Dazhong Business Management Co., Ltd., a limited liability company incorporated in the PRC on March 10, 1995, the single largest shareholder and a substantial shareholder of the Company
“Dazhong Logistics Delivery”	Shanghai Dazhong Run Logistics Delivery Co., Ltd., a limited liability company incorporated in the PRC on August 3, 2023, a subsidiary of the Company
“Dazhong Run”	Shanghai Dazhong Run Logistics Co., Ltd., a limited liability company incorporated in the PRC on March 19, 1999, a subsidiary of the Company
“Director(s)”	The director(s) of the Company
“Group”	The Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region

“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Dazhong Gas”	Shanghai Dazhong Gas Co., Ltd. (formerly known as South Shanghai Gas Co., Ltd.), a limited liability company incorporated in the PRC on January 3, 2001, a subsidiary of the Company
“Shanghai Gas”	Shanghai Gas Co., Ltd., a limited liability company incorporated in the PRC on December 27, 2018, a substantial shareholder of Shanghai Dazhong Gas, a subsidiary of the Company
“Shanghai Gas Chongming”	Shanghai Gas Chongming Co., Ltd, a limited liability company incorporated in the PRC on April 18, 1992, a wholly-owned subsidiary of Shanghai Gas
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Percentage

By order of the Board
Shanghai Dazhong Public Utilities (Group) Co., Ltd
Chairman of the Board
YANG Guoping

Shanghai, the PRC
December 28, 2023

As of the date of this announcement, 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.*