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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)

**OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT ON THE UPDATES OF RELATED PARTY
TRANSACTION IN RELATION TO JOINT INVESTMENT
WITH RELATED PARTIES**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The following sets out the “Announcement on the Updates of Related Party Transaction in relation to Joint Investment with Related Parties” published by Shanghai Dazhong Public Utilities (Group) Co., Ltd.* on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

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

Shanghai, the People's Republic of China
27 July 2018

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

* For identification purposes only

Stock code: 600635 Stock abbreviation: Dazhong Public Utilities Number: Lin 2018-036
Bond code: 143500 Bond abbreviation: 18 Gongyong 01

Shanghai Dazhong Public Utilities (Group) Co., Ltd.* Announcement on the Updates of Related Party Transaction in relation to Joint Investment with Related Parties

The board of directors (the “Board”) of the Company and all members of the Board warrant that there are no false representations, misleading statements or material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

DEFINITIONS:

Unless otherwise stated in context, the following terms should have the following meanings in this announcement:

Company: Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (上海大众公用事业（集团）股份有限公司)

Dazhong Transportation: Dazhong Transportation (Group) Co., Ltd.* (大众交通（集团）股份有限公司)

Aiqi Ruidong: Beijing Aiqi Ruidong Investment Management Center (Limited Partnership)* (北京爱奇瑞东投资管理中心（有限合伙）)

Tibet Jinkun: Tibet Jinkun Venture Capital Management Co., Ltd.* (西藏锦坤创业投资管理有限公司)

On May 3, 2018, the Company’s the seventh meeting of the Tenth session of the Board considered and approved the Proposal for the Company and the related party Dazhong Transportation to jointly contribute Aiqi Ruidong, and agreeing that each of the Company and Dazhong Transportation would contribute RMB220 million to become limited partners of Aiqi Ruidong. For details, please refer to the Announcement on Related Party Transaction in relation to Joint Investment with Related Parties (**Lin 2018-020**) issued on the China Securities Journal, the Shanghai Securities News, the Securities Times, and the website of Shanghai Stock Exchange (www.sse.com.cn) on May 4, 2018.

I. SUMMARY OF RELATED PARTY TRANSACTION

Given that the changes in the proposed investment projects of Aiqi Ruidong, the Company and Dazhong Transportation along with other limited partners signed the Withdrawal Agreement and withdrew from the limited partnership on July 27, 2018.

II. THE MAIN CONTENT AND ARRANGEMENT OF THE WITHDRAWAL AGREEMENT

(1) Information About the Withdrawing Partners

Name of partner	Type	Identification number
Henan Hexie Jinyu Industrial Investment Fund (Limited Partnership)*	Limited partner	91410000MA410UDQ2W
Zhuhai Huajin Alpha No. 3 Equity Investment Fund Partnership (Limited Partnership)*	Limited partner	91440400MA4X9QDD3X
Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited Partnership)*	Limited partner	91440400MA51BP742M
Zhuhai Huajin Zhongying No. 2 Equity Investment Fund Partnership (Limited Partnership)*	Limited partner	91440400MA51BNQT2M
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*	Limited partner	91310000132208778G
Dazhong Transportation (Group) Co., Ltd.*	Limited partner	91310000607216596U

(2) Return of the Paid-in Capital

Based on the Withdrawal Agreement, Aiqi Ruidong shall return the actual paid-in capital to all the limited partners after each partner undertakes the preparation and operation expenses of Aiqi Ruidong in proportion to the capital contribution. All the partners confirmed and agreed to the following calculation of the amount of property that Aiqi Ruidong shall refund: the amount of property refunded to any withdrawing partner = the withdrawing partner's actual paid-up capital to the limited partnership + the corresponding interest incurred during the period of the paid-up capital is retained in the limited partnership account (from the date of actual payment of capital to the custody account of the limited partnership to the date of return of property from the custody account of the limited partnership) – the expenses of the limited partnership in proportion to the capital contribution for the withdrawing partner to undertake.

(3) Rights and Obligations

The withdrawing partners shall stop surrendering the legal documents such as the Disclosure Statement, the Capital Contribution Agreement, the Limited Partnership Agreement, the Confirmation Letter for Investor, the Commitment Letter and the Management Agreement, and they no longer enjoys rights and obligations as limited partners of a limited partnership.

(4) Implementation of the Custodian

Besides the amount of property refund to these withdrawing partners, the custodian has returned all the original documents for fundraising or signature pages provided by each withdrawing partner after retained one copy for each document or signature paper. The return of the original documents for fundraising or signature pages was also part of the withdrawal procedure.

(5) Implementation of The Withdrawing Partners

According to the provision of the Agreement and the general partner's instructions, the withdrawing partners agreed to sign all the necessary documents for withdrawing the Limited Partnership and to provide necessary and timely assistance for changes in the registration.

(6) Responsibility of Default

The partnership, general partners and other withdrawing partners shall not have any obligation or default the contract under the Limited Partnership Agreement, except for the procedure of withdrawal and the amount of property to be refund to the withdrawing partners based on the Limited Partnership Agreement.

(7) Resolution of Dispute

The agreement applies to the laws of the People's Republic of China. All disputes arising out of and in connection with the Agreement shall be settled through a friendly negotiation between the relevant parties in the first place. If the relevant parties cannot reach the settlement through the negotiation, the dispute shall be submitted to the Beijing Arbitration Commission and arbitrated under the rules of the Commission at that time. The arbitral award shall be final and binding upon all parties concerned. The arbitration fee shall be borne by the losing party unless otherwise awarded by the arbitration tribunal. The losing party shall also reimburse the winning party's attorney fees and other expenses.

Notice is hereby given.

Board of Directors of
Shanghai Dazhong Public Utilities (Group) Co., Ltd.

July 28 , 2018

● **Documents available for inspection**

Partnership Withdrawal Agreement for Beijing Aiqi Ruidong Investment Management Center (Limited Partnership)*

** For identification purposes only*