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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 FORMATION OF A JOINT VENTURE COMPANY**

### **FORMATION OF A JOINT VENTURE COMPANY**

On September 11, 2024, Dazhong Supply Chain (a non-wholly-owned subsidiary of the Company), Dazhong Logistics (a non-wholly-owned subsidiary of the Company) and Dazhong Business Management entered into a Joint Venture Agreement. According to the Joint Venture Agreement, Dazhong Supply Chain, Dazhong Logistics and Dazhong Business Management have agreed to jointly form the Joint Venture through co-funding.

According to the Joint Venture Agreement, the registered capital of the Joint Venture is RMB20 million, of which Dazhong Supply Chain will contribute RMB10 million in cash, accounting for 50% of the registered capital; Dazhong Logistics will contribute RMB6 million in cash, accounting for 30% of the registered capital; and Dazhong Business Management will contribute RMB4 million in cash, accounting for 20% of the registered capital.

### **LISTING RULES IMPLICATIONS**

Dazhong Supply Chain and Dazhong Logistics are non-wholly-owned subsidiaries of the Company. Dazhong Business Management is the substantial shareholder of the Company and therefore is a connected person of the Company. According to the Listing Rules, the entering into the Joint Venture Agreement and transactions contemplated thereunder constitute connected transactions of the Company according to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the entering into the Joint Venture Agreement and transactions contemplated thereunder is higher than 0.1% but less than 5%, the entering into the Joint Venture Agreement 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 September 11, 2024, Dazhong Supply Chain (a non-wholly-owned subsidiary of the Company), Dazhong Logistics (a non-wholly-owned subsidiary of the Company) and Dazhong Business Management entered into a Joint Venture Agreement. According to the Joint Venture Agreement, Dazhong Supply Chain, Dazhong Logistics and Dazhong Business Management have agreed to jointly contribute capital to form the a Joint Venture.

According to the Joint Venture Agreement, the registered capital of the Joint Venture is RMB20 million, of which Dazhong Supply Chain will contribute RMB10 million in cash, accounting for 50% of the registered capital; Dazhong Logistics will contribute RMB6 million in cash, accounting for 30% of the registered capital; and Dazhong Business Management will contribute RMB4 million in cash, accounting for 20% of the registered capital.

## FORMATION OF A JOINT VENTURE COMPANY

Main terms of the Joint Venture Agreement are as follows:

Date:	September 11, 2024
Parties:	Dazhong Supply Chain (a non-wholly-owned subsidiary of the Company)  Dazhong Logistics (a non-wholly-owned subsidiary of the Company)  Dazhong Business Management (connected person of the Company)
Joint Venture Company:	The Joint Venture will be a limited liability company established in accordance with PRC law and the terms of the Joint Venture Agreement. The proposed name for the Joint Venture is Shanghai Dazhong GreenMobility New Energy Development Co., Ltd. (a tentative name, subject to final approval upon business registration).
Term:	For a period of 30 years from the date of formation of the Joint Venture. Before the expiration of the term of operation, if the parties agree to extend the term of operation through mutual consensus, the Joint Venture shall continue to exist in accordance with the term of operation agreed upon by the parties.
Effective Date:	Joint Venture Agreement becomes effective upon execution by all parties.

Business Scope of the Joint Venture:	<p>According to the Joint Venture Agreement and subject to the relevant approvals from the PRC authorities, the business scopes of the Joint Venture include but not limited to sales of motor vehicle charging, electric vehicle charging infrastructure operations, new energy vehicle charging and battery swap facility construction and operations, solar power technology services, sales of new energy vehicle, etc.</p> <p>The aforementioned business scope is subject to the final approval of the registration authority of the Joint Venture. Business activities required to be conducted under special approval in accordance with national laws and administrative regulations, shall be carried out based on the approved projects and timelines.</p>
Registered Capital:	RMB20 million
Subscription of Capital Contributions to the Joint Venture:	<p>Dazhong Supply Chain will contribute RMB10 million in cash, accounting for 50% of the registered capital; Dazhong Logistics will contribute RMB6 million in cash, accounting for 30% of the registered capital; and Dazhong Business Management will contribute RMB4 million in cash, accounting for 20% of the registered capital.</p> <p>The amount of capital contribution is determined by all parties after fair negotiations between all parties having taken into account, among other things, the ownership of the Joint Venture, operating capital requirements, and future development plans. It is expected that the capital subscription to be settled in cash by the Dazhong Supply Chain and Dazhong Logistics will be funded by internal resources of the Group.</p>
Terms of Capital Contribution:	Each party is agreed to contribute by way of cash and complete the paid-in capital contribution by December 31, 2026.

Business operation and management:	<p>The Joint Venture will establish a board of directors, consisting of three (3) members, among which Dazhong Supply Chain has the right to appoint two (2) directors, and Dazhong Business Management has the right to appoint one (1) director. The term of office for each session of the board of directors is three years, and upon expiration, they may be re-elected consecutively. There is one chairman under the board of directors, who shall be nominated by Dazhong Supply Chain and elected through the general meeting of the Joint Venture. The legal representative of the Joint Venture shall be the chairman of the board of directors.</p> <p>The Joint Venture will not establish a supervisory board, but shall have one (1) supervisor appointed by Dazhong Logistics.</p> <p>The Joint Venture shall have one (1) general manager appointed by Dazhong Logistics. The general manager is responsible to the board of directors and exercises the authority in accordance with the provisions of the articles of association of the Joint Venture or the authorization of the board of directors of the Joint Venture.</p> <p>The Company shall have one (1) financial manager, who will be assigned by Dazhong Supply Chain. The financial manager will primarily be responsible for managing the major issues of the Joint Venture's daily financial operations</p>
Set-Up Costs Bearing:	<p>Unless otherwise agreed by the parties, it is agreed that the set-up costs of the Joint Venture (including but not limited to government fees and attorney's fees related to the formation of the Joint Venture) shall be paid in advance by the parties in proportion to their respective capital contributions. After the formation of the Joint Venture, such expenses shall be borne by the Joint Venture and included in its start-up costs. If the Joint Venture fails to be established for any reason, the parties agree to bear these set-up costs in accordance with their respective capital contribution ratios.</p>

## **REASONS FOR SIGNING THE JOINT VENTURE AGREEMENT**

The formation of the Joint Venture by the joint investment of Dazhong Supply Chain, Dazhong Logistics and Dazhong Business Management is in accordance with the Company's new energy development strategy. It focuses on promoting the project of charging stations construction, relying on the strong support of the "dual-carbon"

strategy and local policies. It actively explores the green transformation path under the “dual-carbon” context, which is beneficial to continuously promote the high-quality development of the Group.

The Directors (including independent non-executive Directors) consider that the terms of Joint Venture Agreement and the transactions contemplated thereunder 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 interests of the Group and its shareholders as a whole.

Considering that Mr. Yang Guoping and Mr. Liang Jiawei, the executive Directors, who serves as directors of Dazhong Business Management, are deemed to have material interests in this transaction and are required to abstain and had abstained from voting at Board approving the resolutions related to the Joint Venture Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interests in the Joint Venture Agreement and the transactions contemplated thereunder, and thus is required to abstain from voting on the relevant Board resolutions.

## **INFORMATION ABOUT PARTIES**

Dazhong Supply Chain is a limited liability company incorporated in the PRC on August 13, 2002. Dazhong Supply Chain mainly engages in supply chain management and cargo handling services. Dazhong Supply Chain is 100% owned by Dazhong Logistics, Dazhong Logistics is 80% and 20% owned by the Company and Dazhong Business Management respectively, and is a non-wholly-owned subsidiary of the Company.

Dazhong Logistics is a limited liability company incorporated in the PRC on March 19, 1999. Dazhong Logistics mainly engages in freight transportation and packaging services. Dazhong Logistics is 80% and 20% owned by the Company and Dazhong Business Management respectively, and is a non-wholly-owned subsidiary of the Company.

Dazhong Business Management is a limited liability company incorporated in the PRC on March 10, 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, the single largest shareholder of the Company, 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. As at the date of this announcement, 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).

## **LISTING RULES IMPLICATION**

Dazhong Supply Chain and Dazhong Logistics are non-wholly-owned subsidiaries of the Company. Dazhong Business Management is the substantial shareholder of the Company and therefore is a connected person of the Company. According to the Listing Rules, the entering into the Joint Venture Agreement and transactions contemplated thereunder constitute connected transactions of the Company according to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the entering into the Joint Venture Agreement and transactions contemplated thereunder is higher than 0.1% but less than 5%, the entering into the Joint Venture Agreement 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.

## **DEFINITIONS**

“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 January 1, 1992, whose A shares and H shares have been listed on the Shanghai Stock Exchange since March 4, 1993 (stock code: 600635.SH) and the Main Board of the Stock Exchange since December 5, 2016 (stock code: 1635)
“Dazhong Business Management”	Shanghai Dazhong Business Management Co., Ltd, a limited liability company incorporated in the PRC on March 10, 1995, who is the single largest and substantial shareholder of the Company
“Dazhong Logistics”	Shanghai Dazhong Run Logistics Co., Ltd, a limited liability company incorporated in the PRC on March 19, 1999, a non-wholly-owned subsidiary of the Company
“Dazhong Supply Chain”	Shanghai Dazhong Supply Chain Management Co., Ltd, a limited liability company incorporated in the PRC on August 13, 2002, a non-wholly-owned subsidiary of the Company

“Director(s)”	The director(s) of the Company
“Group”	The Company and its subsidiaries
“Joint Venture”	Shanghai Dazhong GreenMobility New Energy Development Co., Ltd. (a tentative name, subject to final approval upon business registration)
“Joint Venture Agreement”	a joint venture agreement entered into between Dazhong Supply Chain, Dazhong Logistics and Dazhong Business Management dated September 11, 2024
“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 of the PRC and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	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  
September 11, 2024

*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.*