

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)

PROPOSED ISSUE OF THE ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS

The Board is pleased to announce that the Company proposes to issue the onshore or offshore Debt Financing Instruments to meet the demand for production, operation and development and optimize the debt structure of the Company.

According to the laws and regulations of the PRC and the Articles of Association, the proposed issue of the Debt Financing Instruments is subject to the approval of the Shareholders by way of a special resolution and relevant regulatory authorities.

The 2019 annual general meeting of the Company will be convened for, among other things, the approval of the proposed issue of the onshore and offshore Debt Financing Instruments. A circular containing details of the proposed issue of the Debt Financing Instruments, together with the notice of the 2019 annual general meeting of the Company, is expected to be dispatched to the Shareholders in due course.

PROPOSED ISSUE OF THE DEBT FINANCING INSTRUMENTS

In order to meet the demand for production, operation and development and optimize the debt structure of the Company, the Board has approved the proposed issue of the onshore or offshore Debt Financing Instruments.

According to the laws and regulations of the PRC and the Articles of Association, implementation of the proposed issue of the Debt Financing Instruments is subject to the approval of the Shareholders by way of a special resolution and relevant regulatory authorities.

1. SUMMARY OF THE ISSUE

(I) Type of Onshore and Offshore Debt Financing Instruments to be Issued

A resolution will be proposed at the 2019 annual general meeting by the Board to authorize the Board or the authorized representatives of the Board (the “**Authorized Representatives**”) to jointly or severally determine the types of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments and details of priorities for repayment of creditors in accordance with laws, regulations and the relevant rules stipulated by securities regulatory authorities, as well as the resolutions of the 2019 annual general meeting, the Company’s conditions and then prevailing market conditions at the time of issue. The onshore Debt Financing Instruments or the offshore Debt Financing Instruments proposed for issue in this resolution do not contain any provision for conversion into shares.

(II) Issue Method and Size

The aggregate issue size of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments of the Company shall be no more than RMB9 billion (inclusive) (based on the balance outstanding on the instruments issued and, in the case of an instrument denominated in foreign currency, based on the median exchange rate published by the People’s Bank of China on the date of issue), and shall be in compliance with the requirements prescribed in the relevant laws and regulations on the maximum amount of the specific debt financing instruments to be issued. The Board will propose to the Authorized Representatives to jointly or severally determine, at its/their sole discretion, the issue size and issue method in accordance with relevant laws and regulations as well as the advice and recommendations of regulatory authorities, the Company’s actual needs for funding and the then prevailing market conditions at the time of issue, in order to maximize the interest of the Company, and to monitor the issue and payment of the onshore Debt Financing Instruments or offshore Debt Financing Instruments of the Company.

(III) Par Value and Issue Price

The Authorized Representatives will jointly or severally determine the issue price of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments in accordance with the then prevailing market conditions at the time of issue and relevant laws and regulations.

(IV) Issue Target and Arrangements on Placement to Shareholders of the Company

The issue target of the onshore Debt Financing Instruments shall be the onshore investors which meet the conditions for subscription. The issue target of the offshore Debt Financing Instruments shall be the onshore and offshore investors which meet the conditions for subscription. The Authorized Representatives will jointly or severally determine the detailed issue target in accordance with relevant laws and regulations, the prevailing market conditions and other matters in connection with the issue. The onshore Debt Financing Instruments and the offshore Debt Financing Instruments may be placed to the shareholders of the Company. The Authorized Representatives will jointly or severally determine the details of the placement arrangements (including whether to make such placement and the proportion of placement, etc.) in accordance with the then prevailing market conditions and other matters in connection with the issue and the laws.

(V) Term and Type of Bonds

The term of the fixed-term onshore Debt Financing Instruments or offshore Debt Financing Instruments shall be no more than 10 years (inclusive). It may have single term and type or hybrid types with multiple types; the non-fixed-term onshore Debt Financing Instruments or offshore Debt Financing Instruments are not subject to the aforementioned requirement on the term. The Authorized Representatives will jointly or severally determine the detailed term and size of each type of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments in accordance with the relevant rules and then prevailing market conditions at the time of issue.

(VI) Coupon Rate

The Authorized Representatives will determine the interest rate for the issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments as well as the method of calculation and payment thereof in accordance with the then prevailing market conditions at the time of issue and relevant rules.

(VII) Security Measures

The Authorized Representatives will jointly or severally determine the security and other credit enhancement arrangements based on the features of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments and the issue needs in accordance with the laws.

(VIII) Use of Proceeds

The proceeds raised from the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments shall be used to fund business operation needs of the Company, improve the debt structure of the Company, repay the Company's debts, supplement working capital of the Company and/or make project constructions. The Authorized Representatives will jointly or severally determine the detailed use of proceeds in accordance with the funding needs of the Company.

(IX) Measures to Ensure Repayment

The Authorized Representatives will jointly or severally implement, as a minimum, the following measures in the event they expect that the Company is unable to repay the principal and interests of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments as scheduled, or the Company fails to repay the principal and interests of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments when they become due:

1. suspension of profit distribution to the Shareholders;
2. suspension of implementation of capital expenditure projects such as substantial external investments and acquisitions and mergers;
3. reduction or suspension of the payment of the salary and bonus of the directors and the senior management of the Company;
4. no re-designation of the key responsible persons.

(X) Listing Arrangements for Bonds

The Authorized Representatives will jointly or severally apply for listing of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments in accordance with the actual conditions of the Company and the prevailing market conditions.

(XI) Validity Period of Resolution

The resolution of the 2019 annual general meeting regarding the issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments shall be valid for a period of 36 months from the date of passing of the resolutions at the 2019 annual general meeting. Where the Board and/or its Authorized Representatives have, during the term of the authorization, decided the issue or partial issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments, and provided that the Company has also, during the term of the authorization, obtained the approval or license from or completed filing or registration (if applicable) with regulatory authorities on the issue, the Company may, during the validity period of such approval, license, filing or registration, complete the issue or relevant partial issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments.

2. AUTHORIZATION

To ensure effective coordination of the issue of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments and other matters in connection with the issue, a resolution will be proposed at the 2019 annual general meeting by the Board to authorize the management to deal with, at its/their sole discretion, all matters in connection with the issue of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments within the framework and under the principles approved at the 2019 annual general meeting, including but not limited to:

1. formulation and adjustment of the details of the proposal for issue of the onshore Debt Financing Instruments or the offshore Debt Financing Instruments in accordance with the applicable laws, regulations and relevant provisions from regulatory authorities as well as resolutions passed at the 2019 annual general meeting of the Company, and based on the actual conditions of the Company and the specific conditions of the relevant debt market, including without limitation, the determination of the suitable issuer(s), timing of issue, details of issue size and method, terms of issue, issue targets, maturity, whether to issue on a one-off,

multiple issues, multi- tranche issues or multiple-category issues basis, the issue size and term of each issue, tranche and category, the methods in which the nominal value and interest rate are determined, currency (including offshore RMB), pricing method, issue arrangements, credit enhancement arrangements including letter of guarantee or letter of support, rating arrangement, details of subscription method, whether to incorporate terms of repurchase or redemption, details of placement arrangements, use of proceeds, registration, listing of the offshore Debt Financing Instruments and place of listing, measures to mitigate repayment risks, measures to ensure debt repayment (if applicable), etc. and all matters in connection with the issue of the onshore Debt Financing Instruments and the offshore Debt Financing Instruments;

5. making relevant adjustments to matters relating to the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments according to the advice of and changes in the policies of regulatory authorities or the changes in market conditions, or determining whether to continue with all or part of the work in respect of the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments in accordance with the actual conditions, unless re-approval by the Shareholders at the 2019 annual general meeting is otherwise required pursuant to the relevant laws, regulations and the Articles of Association;
6. dealing with other relevant matters in connection with the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments;
7. subject to approval of the above authorization at the 2019 annual general meeting, a resolution will be proposed to agree the Board in turn to authorize the authorized representatives of the Company to act as Authorized Representatives for the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments to jointly or severally deal with all matters in connection with the issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments on behalf of the Company pursuant to the resolutions passed at the 2019 annual general meeting and the authorization granted by the Board.

The above authorizations shall remain valid and effective on and from the date when the shareholders at the 2019 annual general meeting have approved and passed the resolutions until the earlier of the expiry of 36 months or the date when matters authorized above have been completed (depending on whether the issue of all onshore Debt Financing Instruments and offshore Debt Financing Instruments has been completed). However, where the Board and/or its Authorized Representatives have, during the term of the authorization, decided the issue or partial issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments, and provided that the Company has also, during the term of the authorization, obtained the approval or license from or completed filing or registration (if applicable) with regulatory authorities on the issue, the Company may, during the validity period of such approval, license, filing or registration, complete the issue or relevant partial issue of onshore Debt Financing Instruments and offshore Debt Financing Instruments. With respect to the matters of issue or partial issue, the above authorization shall remain valid until the date of completion of such issue or partial issue.

The 2019 annual general meeting of the Company will be convened for, among other things, the approval of the proposed issue of the onshore and offshore Debt Financing Instruments.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning set out below:

| | |
|------------------------------|--|
| “Articles of Association” | the articles of association of the Company, as amended, modified or otherwise supplemented from time to time; |
| “Board” | the board of directors of the Company; |
| “Company” | Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (上海大眾公用事業(集團)股份有限公司), a joint stock company with limited liability incorporated in the PRC on 1 January 1992, whose A Shares have been listed on the Shanghai Stock Exchange since 4 March 1993 (Stock Code: 600635.SH) and the H Shares have been listed on the Main Board of the Stock Exchange since 5 December 2016 (Stock Code: 1635); |
| “Debt Financing Instruments” | the onshore or offshore debt financing instruments of not more than RMB9 billion (inclusive) in aggregate proposed to be issued by the Company; |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement only, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan; |
| “RMB” | Renminbi, the lawful currency of the PRC; and |
| “Shareholders” | the Shareholders of the Company. |

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

Shanghai, the People’s Republic of China
30 March 2020

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

** For identification purpose only*