

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)

INSIDE INFORMATION STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (the “**Company**”), under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

On May 8, 2020, the Company entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) with the Shanghai Petroleum and Natural Gas Exchange (“**SHPGX**”).

The major terms of cooperation under the Strategic Cooperation Framework Agreement are as follows:

- (1) SHPGX is willing to promote communication and negotiation between the Company and the largest shareholder of SHPGX, strive to promote equity transfer, assist the Company to become a new shareholder and strategic investor of SHPGX, and help both parties to carry out strategic layout and business development.
- (2) SHPGX uses the resources from its own platform to provide professional, market-oriented, and international trading services and financial services for the Company to meet the needs of oil and gas trade.

- (3) SHPGX looks for important information on appropriate natural gas and oil resources, mergers and acquisitions of gas companies in domestic and foreign markets, provides authoritative, timely and reliable intermediary services and consulting services to meet the Company's development needs in the upstream and downstream business of the oil and gas industry chain and the needs of strategic investment and strategic layout in the energy and financial sectors.
- (4) SHPGX uses its own resources to provide professional support for the Company's domestic and overseas natural gas source coordination and terminal window operation when needed by the Company.
- (5) SHPGX uses its own resources to provide professional support to the Company when it develops energy trading business.
- (6) On the principles of objectivity, accuracy and truth, SHPGX gives full play to the advantages of brand, communication and channels to provide the Company with personalized information release services and professional brand communication services, thereby helping the Company to shape the brand image, enhance brand value, and expand the visibility, reputation and influence in the industry.
- (7) SHPGX gives full play to the advantages in respect of its own policy, shareholders, location, platform and resources, to assist the Company matchmaking market resources (including but not limited to the shareholders and members) to expedite the expansion of business scale and market space on the basis of fanning out from a point to an area, thereby helping the Company to further improve market share and position in the industry.
- (8) Through the study on national energy policies, local energy development situation and international energy markets, SHPGX gives full play to its advantages in respect of policy, intelligence and information to provide professional think tank services for the Company to satisfy the needs of strategic development planning and business development plan.
- (9) Leveraging on its advantages as a platform, SHPGX integrates high-quality expert resources in related fields, arranges or supports domestic and foreign research and targeted special research to provide professional training, exhibition, investigation, and due diligence services for the Company.

- (10) With giving full play to its advantages, the Company supports SHPGX to expand its trading scale of natural gas and oil product, share procurement information on gas supply in international market, and procure international natural gas suppliers to conduct trading on the trading platform of SHPGX.
- (11) The Company transacts its spare capacity on the trading platform of SHPGX through applying self-owned resources such as the proprietary oil and gas pipelines, and actively involves in the fairly openness of infrastructure towards third-party market players.
- (12) The Company supports its affiliated gas companies actively participating in the market-oriented trading of oil and gas resources on the trading platform of SHPGX to build a diversified landscape of gas supply.
- (13) The parties carry out cooperation in exploring new business models and innovative products.
- (14) The parties carry out cooperation in oil and gas investment and achieve a win-win situation in investment and development through mutual complementarity in resources.

COOPERATION MECHANISM

Both parties shall establish a high-level discussion system and they shall conduct exchanges of high-level visits on an irregular basis to communicate in, exchange views on and coordinate and promote their further cooperation. Both parties shall establish a specific coordination mechanism and organise a working group to implement details of their cooperation. After signing the Strategic Cooperation Framework Agreement, both parties shall formulate a specific implementation plan which shall be implemented by signing a membership service agreement after extensive consultation between both parties.

Shareholders of the Company (the “Shareholders”) and/or investors are reminded that the possible transactions under the Strategic Cooperation Framework Agreement may or may not proceed. Therefore, Shareholders are advised to exercise caution when dealing in the shares 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
May 8, 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*