瀋陽公用發展股份有限公司

Shenyang Public Utility Holdings Company Limited

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 747)

DISPOSAL OF ASSETS BY COURT ORDERS

References are made to the announcements of Shenyang Public Utility Holdings Company Limited (the "**Company**") dated 26 September 2008 (the "**First Announcement**") and 15 October 2008 (the "**Second Announcement**"). The board of directors (the "**Board**") of the Company wishes to provide an additional information on the disposal of assets arising from the litigations against the Company and its subsidiaries.

THE DISPOSAL OF ASSETS

1) The disposal of real properties of Cosmo International Mansion by Shenyang Pollon Finance Building Management Company Limited ("Shenyang Pollon") (the "First Disposal")

As disclosed in the First Announcement, Liaoning Hua Jin Hua Gong Group Company Limited ("**Hua Jin**") commenced a legal action against the Company, Beijing Beida Jade Bird Company Limited ("**Beida Jade Bird**"), Beijing Diye Real Estate Development Company Limited ("**Beijing Diye**") and Shenyang Pollon for a total sum of RMB161,380,000 it had paid to Shenzhen Development Bank Dalian Branch ("**Shenzhen Development Bank**") for the Company as a guarantor and the interest accrued.

On 16 July 2007, the Higher People's Court of Liaoning Province issued the [Civil Execution Order (2006) Liao Zhi Er Zi No.53] 民事裁定书（2006）辽执二字第 53 号, pursuant to which the sale proceeds of Shenyang Pollon's real property, including the shops on 1st to 5th floor and 96 residential units of Cosmo International Mansion at an auction price of RMB89,150,000, were applied to settle part of the RMB161,380,000 claim.

The assets disposed were Shenyang Pollon‘s real property, including the shops on 1st to 5th floor and 96 residential units of Cosmo International Mansion.

The project “Cosmo International Mansion” in Shenyang is the reconstruction of an incomplete project, with gross floor area of approximately 30,000 square metres.

The auction price of the disposal assets amounted to RMB89,150,000 and is payable in cash upon the issue of the Civil Execution Order (2006) Liao Zhi Er Zi No.53.

As confirmed by the Company, the judgment debt payable to Hua Jin has been fully settled.

2) The disposal of 95% equity interest in Shenzhen Jingmei Industrial Development Limited (“Shenzhen Jingmei”) by the Company (the “Second Disposal”

As disclosed in the First Announcement, RMB80,000,000 was sequestrated from the account of Hua Jin as an guarantor in partial settlement of the RMB29,000,000 loan and the RMB171,000,000 loan borrowed from Guangdong Development Bank Shenyang Branch (“**Guangdong Development Bank**”) by the Company. On 12 April 2006, Hua Jin made a claim against the Company, Shenyang Public Utility Group Company Limited (“**SPU**”) and Beida Jade Bird to recover the sum of RMB80,000,000.

The Railway Transport Intermediate Court of Shenyang (瀋陽鐵路運輸法院) then held an auction on 29 December 2007 in which the Company’s 95% equitable interest in Shenzhen Jingmei was disposed of. The auction price was RMB110,000,000 and the proceeds from the auction in the sum of RMB83,540,000 was then applied to settle Hua Jin’s RMB80,000,000 claim and the interest

Shenzhen Jingmei, a limited liability company with registered capital of RMB10,000,000, was incorporated at No. 3, First Floor, Building No. 2, Jingmei New Village, Futian District, Shenzhen, the PRC on 30th August 1994. Its principal operations are located in the PRC. The Company holds 95.00% equity interests in it. During the year of 2007, no debt securities were issued by it. Owing to the fact that the 95.00% equity interest in Shenzhen Jingmei held by the Company has been auctioned by the Railway Transport Intermediate Court of Shenyang in December 2007, Shenzhen Jingmei ceased to be a subsidiary of the Company with effect from 31 December 2007.

On 10 March 2008, the Railway Transport Intermediate Court of Shenyang (瀋陽鐵路運輸法院) issued the [Civil Execution Order (2007) Shen Tie Zhi Zi No.3-1]民事裁定書（2007）沈鐵執指字第3-1 號 and confirmed the conclusion of Hua Jin’s claim.

3) **The disposal of 70% equity interest in Shenyang Development Beida Education Science Park Company ("Shenyang Education") by Shenyang Development Real Estate Development Company Limited ("Shenyang Development") (the "Third Disposal")**

As disclosed in the Second Announcement, in July 2006, Shenyang Development, a subsidiary of the Company, received a writ of summons from the Shenyang Intermediate People's Court in relation to a claim of construction fee and interest totaling RMB5,830,704.16 from No.6 Construction Work Company of No.4 Works Bureau of China Construction ("**China Construction**") in July 2006.

As Shanghai Hanhua Property Management Company Limited ("**Shanghai Hanhua**") has performed its guarantee responsibility by repaying to China Construction pursuant to Civil Mediation Agreement (2006) Liao Zhong Min (2) Fang Chu Ji No.129, Shanghai Hanhua applied to the Court for compulsory execution of Civil Mediation Agreement (2006) Liao Zhong Min (2) Fang Chu Ji No.129. Both parties had reached a settlement agreement to settle all the debts by transferring 70% equity interest in Shenyang Education held by Shenyang Development at a value of RMB5,866,145.23. In this respect, the parties had executed a Share Settlement Agreement.

On 19 November 2007, Shanghai Hanhua applied to the Court for the closure of the litigation. The Shenyang Intermediate People's Court issued a Civil Order (Execution) (2007) Shen Fa Zhi Ji No.577 on 15 January 2008, which approved the Share Settlement Agreement between the parties and allowed the transfer of equity interest. The execution of the Civil Mediation Agreement of Intermediate People's Court of Shenyang (2006) Liao Zhong Min (2) Fang Chu Ji No.129 was completed.

Shenyang Education, a limited liability company with registered capital of RMB50,000,000, was incorporated at No. 1-4, Zhong Yang Da Street A20, Shenyang Economic and Technological Development Zone, Shenyang, the PRC in September 2002. Its principal operations are located in the PRC. The Company holds 30.00% equity interests in it and Shenyang Development holds the remaining 70.00% equity interests in it. During the year of 2007, no debt securities were issued by it.

As a result, the litigation between Shanghai Hanhua and Shenyang Development has been fully settled.

REASON FOR THE DISPOSAL OF ASSETS

The Directors represents that the reason for the disposal of assets is that the court orders are mandatory in nature for the settlement of litigations, which is a pre-requisite requirement for the application of resumption of trading of shares of the Company.

NON-COMPLIANCE WITH LISTING RULES

The Directors represents that the First Disposal and Second Disposal should constitute major transactions under Chapter 14 of the Listing Rules. The Company failed to disclose the First Disposal and Second Disposal which would have been subject to disclosure, circular and shareholders' approval requirements under the Listing Rules. The non-compliance with the Listing Rules mentioned above was due to insufficient financial information from non-issuance of relevant annual reports and mandatory nature of court order. The Company admits its breaches of Rule 14.33 and Rule14.34 of the Listing Rules.

By order of the Board of
Shenyang Public Utility Holdings Company Limited
Wang Hui
Director

Hong Kong, 11 December 2008

As at the date of this announcement, the directors of the Company are as follows:
Executive directors: Mr. An Mu Zong and Mr. Wang Zai Xing
Non executive directors: Mr. Deng Yan Bin, Mr. Lin Dong Hui and Mr. Wang Hui
Independent non executive director: Mr. Cai Lian Jun