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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)

DISCLOSEABLE TRANSACTION
CAPITAL CONTRIBUTION AGREEMENT

THE CAPITAL CONTRIBUTION AGREEMENT

On 23 December 2015 (after trading hours), Kingma Overseas, an direct wholly-owned subsidiary of the Company entered into the Capital Contribution Agreement with Chung Hwa Finance Holdings Limited, pursuant to which each of Kingma Overseas and Chung Hwa Finance Holdings Limited has agreed to make capital contribution of HK$109,990,000 and HK$90,000,000, respectively to Chung Hwa Finance (formerly known as Newpont Finance Limited), an indirect wholly-owned subsidiary of the Company. Upon completion of the Capital Contribution, the issued share capital of Chung Hwa Finance will be increased to HK$200,000,000 and Chung Hwa Finance will be owned as to 55% and 45% by Kingma Overseas and Chung Hwa Finance Holdings Limited respectively. Chung Hwa Finance will continue to be a subsidiary of the Company and included as a subsidiary in the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

Following Completion and taken into account the Capital Contribution, the equity interests of the Kingma Overseas in Chung Hwa Finance will be diluted from 100% to 55%. Such dilution of interest of Kingma Overseas in Chung Hwa Finance will constitute deemed disposal under Chapter 14 of the Listing Rules. As one of the percentage ratios under the Listing Rules in respect of the Capital Increase is more than 5% but less than 25%, the Capital Contribution constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

THE CAPITAL CONTRIBUTION AGREEMENT

Date

23 December 2015

Parties

(1) Kingma Overseas, an direct wholly-owned subsidiary of the Company;

(2) Chung Hwa Finance Holdings Limited; and

(3) Chung Hwa Finance Limited

Chung Hwa Finance Holdings Limited is a investment holding Company established in Hong Kong.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Chung Hwa Finance Holdings Limited and its ultimate beneficial owner(s) is/are third party(ies) independent of the Company and its connected persons (as defined in Chapter 14A of the Listing Rules).

Subject matter

Pursuant to the Capital Contribution Agreement, each of Kingma Overseas and Chung Hwa Finance Holdings Limited has agreed to make capital contribution of HK$109,990,000 and HK$90,000,000, respectively to Chung Hwa Finance.

Upon completion of the Capital Contribution, the issued share capital of Chung Hwa Finance will be increased to HK$200,000,000 and Chung Hwa Finance will be owned as to 55% and 45% by Kingma Overseas and Chung Hwa Finance Holdings Limited respectively. Chung Hwa Finance will continue to be a subsidiary of the Company.

The amount of Capital Contribution was determined based on arm's length negotiations among the parties to the Capital Contribution Agreement with reference to, among other things, the capital requirement of Chung Hwa Finance for its business development.

Conditions Precedent

Completion of the Capital Contribution shall take place upon the fulfillment of the conditions precedent as follows (or such later date as the parties may agree in writing):

(a) all representations and warranties remain accurate, true and not misleading in all material respects as at the date of the Capital Contribution Agreement and the Completion;

(b) passing by the shareholders of Chung Hwa Finance in general meeting of an ordinary resolution approving the Capital Contribution Agreement, the issue of the new shares and the transaction(s) contemplated therein;

(c) Chung Hwa Finance Holdings Limited shall have obtained any and all approval from its board and shareholders with respect to the transactions contemplated under the Capital Contribution Agreement; and

(d) there have been no negative material adverse change in the business and operations of Chung Hwa Finance since the date of the Capital Contribution Agreement.

If any of the above conditions has not been fulfilled between the parties on or before 31 March 2016 or such later date as the parties may agree in writing, the parties shall not be bound to proceed with the Capital Contribution and the Capital Contribution Agreement shall cease to have any effect. The parties shall be released from all rights and obligations pursuant to Capital Contribution Agreement (save for any antecedent breach).

Chung Hwa Finance will declare and distribute cash dividend for the financial year ending 31 December 2015 (the "**Special Dividend**") to the existing shareholder of prior to the completion of Capital Contribution. Chung Hwa Finance Holdings Limited acknowledges that the Company is going to propose such declaration and distribution of the Special Dividend and Chung Hwa Finance Holdings Limited will not be entitled to the Special Dividend in any event.

INFORMATION ON CHUNG HWA FINANCE

Chung Hwa Finance is a limited liability company established in Hong Kong which is principally engaged in money lending business in Hong Kong. It is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). As at the date of this announcement, it has a registered capital of HK$10,000 and is wholly-owned by Kingma Overseas.

The audited net profit before and after taxation and extraordinary items of Chung Hwa Finance for each of the two financial years ended 31 December 2013 and 2014 are set out below:

	For the year ended 31 December	
	2014	**2013**
	(HK$)	*(HK$)*
Net (loss)/profit before taxation and extraordinary items	(441,079)	118,560
Net (loss)/profit after taxation and extraordinary items	(538,920)	118,560

The unaudited net asset value of Chung Hwa Finance as of 30 November 2015 was approximately HK$13,380,475.

FINANCIAL IMPACT OF THE DEEMED DISPOSAL ON THE GROUP

Following Completion, the issued share capital of Chung Hwa Finance will be held as to 55% by Kingma Overseas and as to 45% by Chung Hwa Finance Holdings Limited. The equity interest of Chung Hwa Finance held by the Group will be diluted from 100% at present to 55% and Chung Hwa Finance will continue be a subsidiary of the Company and included as a subsidiary in the Group's consolidated financial statements.

Based on the existing information available to the Company, the gain or loss from the deemed disposal of Chung Hwa Finance, is expected to be immaterial.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT

As at the date of this announcement, the Group is principally engaged in infrastructure and construction business in the PRC. Chung Hwa Finance was acquired by the Company in July 2014. During the period from 1 January 2015 to 30 November 2015, Chung Hwa Finance has lent out HK$426.5 million and has achieved an interest income of approximately HK$16 million. In order to further strengthen and expand the scale of the money lending business of Chung Hwa Finance, the Company and the new investor proposed to contribute additional working capital to Chung Hwa Finance, the additional capital contribution will be used by Chung Hwa Finance for business development.

Taking into account the benefits of the Capital Contribution, the Directors are of the view that the Capital Contribution is in the interest of the Group and the terms and conditions of the Capital Contribution Agreement are on normal commercial terms, which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Following Completion, the equity interests of the Kingma Overseas in Chung Hwa Finance will be diluted from 100% to 55%. Such dilution of interest of Kingma Overseas in Chung Hwa Finance will constitute deemed disposal under Chapter 14 of the Listing Rules. Furthermore, as one of the percentage ratios under the Listing Rules in respect of the Capital Contribution is more than 5% but less than 25%, the Capital Contribution constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

"Board"	the board of Directors
"Business Days"	a day (excluding Saturday, Sunday and any other public holidays) on which banks in the PRC are generally open for settlement business
"Capital Contribution"	the capital contribution in the amount of HK$109,990,000 and HK$90,000,000, respectively made by Kingma Overseas and Chung Hwa Finance Holdings Limited in cash to Chung Hwa Finance Limited

"Capital Contribution Agreement"	the capital contribution agreement dated 23 December 2015 entered into a between Kingma Overseas and Chung Hwa Finance Holdings Limited in respect of the Capital Contribution
"Chung Hwa Finance"	Chung Hwa Finance Limited (formerly known as Newpont Finance Limited)
"Company"	Shenyang Public Utility Holdings Company Limited
"Completion"	the completion of the Capital Contribution Agreement in accordance with the terms thereof
"Connected person(s)"	has the same meaning ascribed to it in the Listing Rules
"Director(s)"	means the directors of the Company
"Domestic Share(s)"	domestic share(s) with a nominal value of RMB1 each in the share capital of the Company which are subscribed for in RMB
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"H-Share(s)"	overseas listed foreign ordinary share(s) in share capital of the Company, with a nominal value of RMB1 each, all of which are listed on the main board of the Stock Exchange, and subscribed for and traded in Hong Kong dollars
"Kingma Overseas"	Kingma Overseas Investment Development Corporation Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Share(s)"	H-Share(s) and Domestic Share(s)
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent

By Order of the Board
Shenyang Public Utility Holdings Company Limited
Zhang Jing Ming
Chairman

Shenyang, the PRC, 23 December 2015

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Jing Ming, Mr. Deng Xiao Gang and Mr. Huang Zhen Kun, the non-executive directors are Mr. Yin Zong Chen and Ms. Li Yu Xiang and the independent non-executive directors are Mr. Chan Ming Sun Jonathan, Mr. He Qing Jia and Mr. Yu Guan Jian.