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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  
INVOLVING APPLICATION FOR SHARE SUBSCRIPTION**

**THE SHARE SUBSCRIPTION**

On 27 December 2016 (after trading hours), the Subscriber, being an indirect wholly-owned subsidiary of the Company has submitted the Share Subscription Application Letter to the Issuer, pursuant to which the Subscriber has agreed to apply for 19,800,000 Subscription Shares at the consideration of RMB35,640,000. The Subscription Shares represent approximately 11.55% of the issued share capital of the Issuer as at the date of the Share Subscription Application Letter. Upon issuance of the new Subscription Shares and including the shares acquired in the Previous Subscription, the Subscriber will hold an aggregate of 28,300,000 shares of the Issuer, representing an approximately 14.8% of the enlarged issued share capital of the Issuer.

**LISTING RULES IMPLICATIONS**

As one of the percentage ratios under the Listing Rules in respect of the Share Subscription and the Previous Subscription in aggregate is more than 5% but less than 25%, the Share Subscription and the Previous Subscription constitute a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

**THE SHARE SUBSCRIPTION APPLICATION LETTER**

**Date**

27 December 2016

## **Parties**

Subscriber: Zhongfang Chaozhou Investment Development Company Limited\* 中房潮州投資開發有限公司, a limited company incorporated under the laws of the PRC and a wholly owned subsidiary of the Company

Issuer: Chaozhou Rural Credit Cooperative\* 潮州市區農村信用合作聯社, the legal representative of a domestic enterprise\* 內資企業法人 incorporated under the laws of the PRC

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Issuer 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).

## **Subscription Shares**

Pursuant to the Share Subscription Application Letter, the Subscriber has agreed to apply for 19,800,000 Subscription Shares at the consideration of RMB35,640,000. The Subscription Shares represent approximately 11.55% of the issued share capital of the Issuer as at the date of the Share Subscription Application Letter. Upon issuance of the new Subscription Shares and including the shares acquired in the Previous Subscription, the Subscriber will an aggregate of 28,300,000 shares of the Issuer, representing an approximately 14.8% of the enlarged issued share capital of the Issuer.

The Subscription Shares, when issued and fully paid up, shall rank pari passu in all respects with all other Issuer Shares then in issue and in particular, will rank in full for all dividends and other distributions declared, made or paid at any time on or after the date of issue of the Subscription Shares.

## **Consideration**

The consideration for the Subscription Shares of RMB35,640,000 has been paid by the Subscriber upon submission of the Share Subscription Application Letter.

The Subscription Price per Subscription Share is RMB1.8. The consideration was determined after taking into consideration of the net assets value per share of the Issuer of approximately RMB2.49 as at 31 December 2015 as well as the financial performance and the future prospects of the Issuer. The consideration was satisfied by internal resources of the Company.

## **INFORMATION ON THE ISSUER**

The Issuer is the legal representative of a domestic enterprise\* 內資企業法人 established under the laws of the PRC with principal business including the business subject to the approval of the China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other provisions, the scope of business as listed out in the approval documents shall prevail (financial permit number: 00247973).

\* For identification purposes only

According to the latest audited financial statements, the audited net asset value of the Issuer as of 31 December 2015 was approximately RMB426,790,215. The audited net profit before and after taxation and extraordinary items of the Issuer for each of the two years ended 31 December 2014 and 2015 are set out below:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>(RMB)</i>	<i>(RMB)</i>
Net profit before taxation and extraordinary items	30,598,101	30,756,846
Net profit after taxation and extraordinary items	24,606,320	30,494,025

## **PREVIOUS SUBSCRIPTION**

On 23 July 2015, the Subscriber completed the acquisition of 8,500,000 shares of the Issuer from the Independent Third Party at a total consideration of RMB12,750,000, representing 4.96% of the total issued share of Issuer. Since the percentage ratios under the Listing Rules in respect of the Previous Subscription is less than 5%, the Previous Subscription did not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION**

As at the date of this announcement, the Group is principally engaged in infrastructure and construction business in the PRC.

The Directors aim to seek investment opportunities to maximise the return to the Shareholders. As disclosed in the above section, the business of the Issuer is profit making. By investing the surplus cash available to the Group into the Issuer's Share, the Directors believe that the Share Subscription would enable the Group to generate a reasonable and stable dividend income and to capture future potential capital gain.

Taking into account the benefits of the Share Subscription, the Directors are of the view that the Share Subscription is in the interest of the Group and the terms and conditions of the Share Subscription Application Letter 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**

As one of the percentage ratios under the Listing Rules in respect of the Share Subscription and the Previous Subscription in aggregate is more than 5% but less than 25%, the Share Subscription and the Previous Subscription constitute 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
“Company”	Shenyang Public Utility Holdings Company Limited
“Connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of RMB35,640,000 for the Subscription Shares paid by the Subscriber to the Issuer pursuant to the Share Subscription Application Letter
“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
“Issuer”	Chaozhou Rural Credit Cooperative* 潮州市區農村信用合作聯社, the legal representative of a domestic enterprise* 內資企業法人 incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Subscription”	the 8,500,000 shares being acquired by the Subscriber on 23 July 2015

\* For identification purposes only

“Share Subscription Application Letter”	the share subscription application letter dated 27 December 2016 made between the Issuer and the Subscriber in relation to the application of Subscription Shares
“Share(s)”	H-Share(s) and Domestic Share(s)
“Share Subscription”	the subscription of the Shares of the Issuer pursuant to the Share Subscription Application Letter
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Zhongfang Chaozhou Investment Development Company Limited* 中房潮州投資開發有限公司, a limited company incorporated under the laws of the PRC and a wholly owned subsidiary of the Company
“Subscription Price”	the subscription price of RMB1.8 per Subscription Share
“Subscription Shares”	the 19,800,000 shares to be allotted and issued by the Issuer to the Subscriber pursuant to the Share Subscription Application Letter
“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, 28 December 2016

*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.*