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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 IN SHENZHEN ZHONG DE**  
**LOGISTICS COMPANY LIMITED**

**THE CAPITAL CONTRIBUTION AGREEMENT**

On 11 May 2017 (after trading hours), Shenzhen Shenxi, an direct wholly-owned subsidiary of the Company entered into the Capital Contribution Agreement with SHHH Development and SNP Investment, pursuant to which it has been agreed that Shenzhen Shenxi, being the new investor, shall make capital contribution in the total sum of RMB155,000,000 to Zhong De Logistics, in which RMB5,000,000 will be contributed to the registered share capital while RMB150,000,000 will be contributed as the capital reserve of Zhong De Logistics. SHHH Development and SNP Investment have agreed to waive their pre-emptive rights to capital contribution.

Upon completion of the Capital Contribution, the registered share capital of Zhong De Logistics will be increased to RMB25,000,000 while the capital reserve will be increased to RMB150,000,000. The equity interests in Zhong De Logistics held by Shenzhen Shenxi would increase to 20.00%, while the equity interests in Zhong De Logistics held by SHHH Development and SNP Investment would decrease to 24% and 56% respectively.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the Capital Contribution is more than 5% but less than 25%, the Capital Contribution constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## THE CAPITAL CONTRIBUTION AGREEMENT

### Date

11 May 2017

### Parties

- (1) Shenzhen Shenxi Investment & Development Company Limited\* 深圳市沈璽投資發展有限公司, an direct wholly-owned subsidiary of the Company;
- (2) Shenzhen He Hui Huang Development Company Limited\* 深圳市合輝煌發展有限公司 (“SHHH Development”); and
- (3) Shenzhen Newpont Investment Group Limited\* 深圳市新邦投資集團有限公司 (“SNP Investment”)

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Each of SHHH Development and SNP Investment and their ultimate beneficial owner(s) is 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, the parties agreed that Shenzhen Shenxi shall make capital contribution in the total sum of RMB155,000,000 to Zhong De Logistics, in which RMB5,000,000 will be contributed to the registered share capital of Zhong De Logistics while RMB150,000,000 will be contributed as capital reserve of Zhong De Logistics.

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 fair value of 100% equity interests of Zhong De Logistics amounted to RMB626,235,229 as at 31 March 2017 as valued by an independent qualified valuer in the PRC.

The capital contribution will be payable in full by Shenzhen Shenxi to the Zhong De Logistics in cash within 30 business days upon the signing of Capital Contribution Agreement.

## INFORMATION ON ZHONG DE LOGISTICS

Zhong De Logistics is a limited liability company established under the laws of the PRC. Its principal businesses include domestic logistics, freight forwarding, warehousing and distribution services. The major asset of Zhong De Logistics currently consists of the land use right of a parcel of land located at Henggang Street, Longgang District, Shenzhen\* (深圳市龍崗區橫崗街道), with a gross floor area of approximately 236,518.85 square meters (the “**Land**”). Prior to completion of the Capital Contribution, Zhong De Logistics is owned as to 70% by SNP Investment and 30% by SHHH Development.

Zhong De Logistics is currently engaged in an integrated logistics park development project (the “**Project**”) constructing on the Land. The Project will be developed into an integrated and multifunctional logistics park, providing comprehensive range of integrated logistics and warehouse storage facilities and service. The major buildings to be constructed include warehouses, office buildings, canteen, dormitory and basements. The construction of Project has been started since 2013 and the completion of construction is scheduled before 31 December 2019. It is expected that the logistics park will starts operation in June 2020.

The audited net profit before and after taxation and extraordinary items of Zhong De Logistics for each of the two financial years ended 31 December 2015 and 2016 are set out below:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2016</b>
	<i>(RMB)</i>	<i>(RMB)</i>
Net loss before taxation and extraordinary items	96,170.15	1,175,840.17
Net loss after taxation and extraordinary items	96,170.15	1,175,840.17

The audited net asset value of Zhong De Logistics as of 31 December 2016 was approximately RMB14,224,836.31.

Upon completion of the Capital Contribution, the registered share capital of Zhong De Logistics will be increased to RMB25,000,000 while the capital reserve will be increased to RMB150,000,000. The equity interests in Zhong De Logistics held by Shenzhen Shenxi would increase to 20.00%, while the equity interests in Zhong De Logistics held by SHHH Development and SNP Investment would decrease to 24% and 56% respectively.

## **INFORMATION ON OTHER PARTIES**

The principal scope of business of SNP Investment includes investment in enterprise, investment advisory and asset management.

The principal scope of business of SHHH Development includes investment advisory, asset management, investment in enterprise and commerce in the PRC.

## **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.

The Longgang District is currently one of the main area for investment development expansion in Shenzhen, Guangdong Province and this project is located next to the international transit port in Yantian and Pinghu Logistics center. Given the unique geographical advantage of Longgang District, the Longgang District government has highly focused on the development of the logistics industry and thus the Project is currently one of the major construction projects in Longgang District.

Given the Project is in line with the principal business of the Company, the Directors consider the Project is a good investment opportunity for the Group to expand its existing business which also helps to diversify the sources of income for the Company. In view of such favorable terms and conditions, the Board is of the view that the Project is in the benefit of the Company.

In light of the above, the Directors (including the independent non-executive 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**

As one of the applicable percentage ratios in respect of the Capital Contribution is more than 5% but less than 25%, the Capital Contribution constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under 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 proposed capital increase in Zhong De Logistics to be contributed by Shenzhen Shenxi in a total sum of RMB155 million as contemplated under the Capital Contribution Agreement
“Capital Contribution Agreement”	the capital contribution agreement dated 11 May 2017 entered into a between Shenzhen Shenxi, SHHH Development and SNP Investment in respect of the Capital Contribution
“Company”	Shenyang Public Utility Holdings Company Limited
“Completion”	the completion of the Capital Contribution 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
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	H-Share(s) and Domestic Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Shenxi”	Shenzhen Shenxi Investment & Development Company Limited* 深圳市沈璽投資發展有限公司, an direct wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhong De Logistics”	Shenzhen Zhong De Logistics Company Limited* 深圳市眾德物流有限公司, a company incorporated under the laws of the PRC
“%”	per cent

\* For identification purpose

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

Shenyang, the PRC, 11 May 2017

*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.*