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 TRANSACTIONS

(1) SHARE TRANSFER AGREEMENT I

The Board is pleased to announce that on 16 November 2018, after trading hours, Purchaser I, a wholly-owned subsidiary of the Company entered into the Share Transfer Agreement I with Vendor I, pursuant to which Vendor I conditionally agreed to sell and Purchaser I conditionally agreed to acquire the 90% equity interest of Target Company I at a total consideration of RMB8,800,000.

(2) SHARE TRANSFER AGREEMENT II

On 16 November 2018, after trading hours, Purchaser II, a wholly-owned subsidiary of the Company entered into the Share Transfer Agreement II with Vendor II, pursuant to which Vendor II conditionally agreed to sell and Purchaser II conditionally agreed to acquire the 90% equity interest of Target Company II at a total consideration of RMB3,000,000.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the Listing Rules in respect of the transactions contemplated under each of the Share Transfer Agreement I and Share Transfer Agreement II calculated exceed 5% but less than 25%, respectively the transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules, and are therefore subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

(1) SHARE TRANSFER AGREEMENT I

Date

16 November 2018

Parties

Purchaser I: Shenzhen Tong He Chuangjian Investment Development Company Limited* (深圳市同合創建投資發展有限責任公司), a company with limited liability incorporated under the laws of the PRC and a wholly owned subsidiary of the Company

Vendor I: Shenzhen Zhongtou Construction Investment Company Limited* (深圳市中投建設投資有限公司)

Vendor I is a company with limited liability incorporated under the laws of the PRC and principally engaged in project investment. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Vendor I 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).

Assets to be acquired

90% equity interest of the Target Company I.

Consideration

The consideration of Share Transfer I is RMB8,800,000 and shall be payable in cash by Purchaser I to Vendor I in the following manner:

(a) as to RMB5,000,000 payable within 5 Business Days upon the signing of the Share Transfer Agreement I; within 10 Business Days upon the payment of the first instalment, Vendor I shall assist Purchaser I to complete the registration with the Administration for Industry and Commerce in relation to the transfer of the equity interests of Target Company I;

(b) the remaining balance amounted to RMB3,800,000 within 5 Business Days upon fulfilling condition (iii) of the conditions precedent.

The consideration under the Share Transfer Agreement I was arrived at based on normal commercial terms after arm's length negotiations between Purchaser I and Vendor I with reference to the net asset value of Target Company I as at 31 October 2018. The consideration under the Share Transfer Agreement I will be settled by the internal resources of the Group.

Conditions Precedent

Completion of the Share Transfer I will take place on the completion date, which shall be conditional upon and subject to:

i. Target Company I having obtained its shareholder's approval of the entering into of the Share Transfer Agreement I and the transactions contemplated thereunder;

ii. the passing by the Board of the resolution to approve the Share Transfer Agreement I and the transactions contemplated thereunder;

iii. Target Company I having completed the industrial and commercial registration with the Administration for Industry and Commerce in relation to the Share Transfer I; and

iv. Purchaser I and Vendor I having been satisfied that, at all time from the date of the Share Transfer Agreement I up to the date of completion, all warranties given by Purchaser I and Vendor I under the Share Transfer Agreement I remain true, in place, not misleading in all material aspect and complete;

The above conditions shall be fulfilled within 6 months upon signing of the Share Transfer Agreement I or such later date as the parties to the Share Transfer Agreement I may agree in writing.

Obligations of Purchaser I and Vendor I

i. Purchaser I shall pay consideration for the assignment of land use right on behalf of Target Company I within 5 Business Days upon the signing of the Share Transfer Agreement I, and Vendor I shall assist and ensure that Target Company I can obtain the land use right certificate within 3 months upon consideration for the assignment of land use right is fully paid. The relevant late charge or fine (if any) arising from the delay in payment of the assignment of land use right shall be borne by Vendor I.

ii. Vendor I shall guarantee that it shall assist Target Company I to obtain Planning Permit for Construction《工程規劃許可證》and Commencement Permit for Construction Works《施工許可證》within 5 months after the land use right certificate has been obtained. Any relevant late charge or fine (if any) arising from the delay in obtaining Planning Permit for Construction《工程規劃許可證》and Commencement Permit for Construction Works《施工許可證》shall be borne by Vendor I.

iii. In the event Target Company I fails to obtain the land use right certificate, the expenses and losses arising from the dispute on land as well as any of its buildings of Target Company I and shall be borne by Vendor I.

iv. In the event that Vendor I fails to procure Target Company I to obtain all such necessary approvals and licenses, Purchaser I shall have the right to request Vendor I to refund all the amount paid by Purchaser I and Purchaser I shall reinstate the shareholding structure as well as industrial and commercial registration of Target Company I to its original status within 10 Business Days upon it received the refund. At the same time, Vendor I shall pay the capital retention fee to Purchaser I at the rate of 0.02% per day.

Completion

Completion shall take place upon the fulfillment or waiver of the conditions precedent of the Share Transfer Agreement I (or such later date as the parties to the Share Transfer Agreement I may agree in writing).

(2) SHARE TRANSFER AGREEMENT II

Date

16 November 2018

Parties

Purchaser II:	Shenzhen Ju Sheng Chuang Jian Investment and Development Limited* (深圳市聚壐投資發展有限公司), a company with limited liability incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
Vendor II:	Shenzhen Chen Sui Industrial Investment Company Limited* (深圳市琛穗實業投資有限公司)

Vendor II is a company with limited liability incorporated under the laws of the PRC and principally engaged in investment management. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Vendor II 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).

Assets to be acquired

90% equity interest of the Target Company II.

Consideration

The consideration of Share Transfer II is RMB3,000,000 and shall be payable in cash by Purchaser II to Vendor II in the following manner:

(a) as to RMB2,000,000 payable within 5 Business Days upon the signing of the Share Transfer Agreement II; within 10 Business Days upon the payment of the first instalment, Vendor II shall assist Purchaser II to complete the registration with the Administration for Industry and Commerce in relation to the transfer of the equity interests of Target Company II;

(b) the remaining balance amounted to RMB1,000,000 within 5 Business Days upon the completion of the registration with the Administration for Industry and Commerce in relation to the transfer of the equity interests of Target Company II.

The consideration of the Share Transfer Agreement II was arrived at based on normal commercial terms after arm's length negotiations between Purchaser II and Vendor II with reference to the net asset value of Target Company II as at 31 October 2018. The consideration of the Share Transfer Agreement II will be settled by the internal resources of the Group.

Conditions Precedent

Completion will take place on the completion date, which shall be conditional upon and subject to:

i. Target Company II having obtained its shareholder's approval of the entering into of the Share Transfer Agreement II and the transactions contemplated thereunder;

ii. the passing by the Board of the resolution to approve the Share Transfer Agreement II and the transactions contemplated thereunder;

iii. Target Company II having completed the industrial and commercial registration with the Administration for Industry and Commerce in relation to the Share Transfer II; and

iv. Purchaser II and Vendor II having been satisfied that, at all time from the date of the Share Transfer Agreement II up to the date of Completion, all warranties given by Purchaser II and Vendor II under the Share Transfer Agreement II remain true, in place, not misleading in all material aspect and complete.

The above conditions shall be fulfilled within 6 months upon signing of the Share Transfer Agreement II or such later date as the parties to the Share Transfer Agreement II may agree in writing.

Obligations of Purchaser II and Vendor II

i. Purchaser II shall pay consideration for the assignment of land use right on behalf of Target Company II within 5 Business Days upon the signing of the Share Transfer Agreement II, and Vendor II shall assist and ensure that Target Company II can obtain the land use right certificate within 3 months upon consideration for the assignment of land use right is fully paid. Any relevant late charge or fine (if any) arising from the delay in payment of the assignment of land use right shall be borne by Vendor II.

ii. Vendor II shall guarantee that it shall assist Target Company II to obtain Planning Permit for Construction《工程規劃許可證》and Commencement Permit for Construction Works《施工許可證》within 5 months after the land use right certificate has been obtained. The relevant late charge or fine (if any) arising from the delay in obtaining Planning Permit for Construction《工程規劃許可證》and Commencement Permit for Construction Works《施工許可證》shall be borne by Vendor II.

iii. In the event Target Company II fails to obtain the land use right certificate, the expenses and losses arising from the dispute on land as well as any of its buildings of Target Company II and shall be borne by Vendor II.

iv. In the event that Vendor II fails to procure Target Company II to obtain all such necessary approvals and licenses, Purchaser II shall have the right to request Vendor II to refund all the amount paid by Purchaser II and Purchaser II shall reinstate the shareholding structure as well as industrial and commercial registration of Target Company II to its original status within 10 Business Days upon it received the refund. At the same time, Vendor II shall pay the capital retention fee to Purchaser II at the rate of 0.02% per day.

Completion

Completion shall take place upon the fulfillment or waiver of the conditions precedent of the Share Transfer Agreement II (or such later date as the parties to the Share Transfer Agreement II may agree in writing).

INFORMATION ON THE TARGET COMPANIES

Target Company I is a company with limited liability established under the laws of the PRC and is owned as to 90% by the Vendor I immediately prior to Completion. It is principally engaged in bioengineering technology research; sales of plant fat, plant extracts, plant superfine powder, solid beverages.

As of 31 October 2018, Target Company I has not commenced its business or operation and is still in progress of construction of plants. The plants is located at the site No. JN06-08-2 of Jingnan Branch, Zhongshan (Chaozhou) Industrial Transfer Park* (中山（潮州）產業轉移工業園徑南分園JN06-08-2地塊) (formerly known as Shenzhen (Chaozhou) Industrial Transfer Park, Jingnan Branch (深圳（潮州）產業轉移工業園徑南分園)). The construction is currently suspended due to insufficient funds. The total planned construction area of plants is 30,422 square meters. As at the date of this announcement, there are remaining area of approximately 15,000 square meters which is subject to further construction. The remaining construction is expected to be completed within 180 days when sufficient fund is available.

Target Company II is a company with limited liability established under the laws of the PRC and is owned as to 90% by the Vendor II immediately prior to Completion. It is principally engaged in sales of packaging materials, daily necessities, plastic products, environmentally friendly materials.

As of 31 October 2018, Target Company II has not commenced its business or operation and is still in progress of construction of plants. The plants is located in at the site No. JN06-05-2 of Jingnan Branch, Zhongshan (Chaozhou) Industrial Transfer Park* (中山（潮州）產業轉移工業園徑南分園JN06-05-2地塊) (formerly known as Shenzhen (Chaozhou) Industrial Transfer Park, Jingnan Branch (深圳（潮州）產業轉移工業園徑南分園)). The construction is currently suspended due to insufficient fund. The total planned construction area of the plant is 30,000 square meters. As at the date of this announcement, there are remaining area of approximately 6,000 square meters which is subject to further construction. The remaining construction is expected to be completed within 120 days when sufficient fund is available.

Financial information of the Target Company I

The unaudited adjusted net asset value of Target Company I as of 31 October 2018 was approximately RMB9,858,471.13. As at 31 October 2018, the outstanding shareholder's loan of Target Company I amounted to RMB7,410,256.69.

Since Target Company I has not commenced any business since incorporation it did not recognised any revenue or profit for the years ended 31 December 2016 and 2017.

It is expected that upon the completion of Share Transfer I, the total amount of fund to be invested by Purchaser I to Target Company I for the construction of plants as well as repayment of part of the shareholders' loan is approximately RMB33.3 million.

Financial information of the Target Company II

The unaudited adjusted net asset value of the Target Company II as of 31 October 2018 was approximately RMB3,486,269.57. As at 31 October 2018, the outstanding shareholder's loan of Target Company II amounted to RMB20,015,875.

Since Target Company II has not commenced any business since incorporation, it did not recognise any revenue or profit for the years ended 31 December 2016 and 2017.

It is expected that upon the completion of Share Transfer II, the total amount of fund to be invested by Purchaser II to Target Company II for the construction of plants as well as repayment of part of the shareholders' loan is approximately RMB34.9 million.

REASONS FOR AND BENEFITS OF THE SHARE TRANSFERS

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

The Target Companies and their plants are located in Jing Nan Industrial Park in Chaozhou, the Directors believe that the considerations are relative attractive which represent a reasonable discount given its prime location. Although the Group needs to invest extra funds to the Target Companies, it is expected that the Group could expand its properties portfolio to obtain steady and recurring stream of income and potential resale opportunity with capital appreciation over time upon the construction of plants was completed. Having considered the above, the Directors consider that it represents a valuable property investment opportunity that are in line with the Group's business strategy. As such, the Board is of the view that the Share Transfers is in the benefit of the Company.

Taking into account the benefits of the Share Transfers, the Directors are of the view that the Share Transfers are in the interest of the Group and the terms and conditions of the Share Transfer Agreement I and Share Transfer Agreement II 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 the relevant percentage ratios under the Listing Rules in respect of the transactions contemplated under each of the Share Transfer Agreement I and Share Transfer Agreement II calculated exceed 5% but less than 25% respectively, the transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules, and are therefore 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
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Purchaser I"	Shenzhen Tong He Chuangjian Investment Development Company Limited* (深圳市同合創建投資發展有限責任公司), a company with limited liability incorporated under the laws of the PRC and a wholly owned subsidiary of the Company

"Purchaser II"	Shenzhen Ju Sheng Chuang Jian Investment and Development Limited* (深圳市聚璽投資發展有限公司), a company limited liability incorporated under the laws of the PRC and a wholly owned subsidiary of the Company
"Share Transfers"	Share Transfer I and Share Transfer II
"Share Transfer Agreement I"	the conditional share transfer agreement dated 16 November 2018 entered into between Purchaser I and the Vendor I in relation to the Share Transfer I
"Share Transfer Agreement II"	the conditional share transfer agreement dated 16 November 2018 entered into between Purchaser II and the Vendor II in relation to the Share Transfer II
"Share Transfer I"	transfer of 90% equity interest of the Target Company I from Vendor I to Purchaser I pursuant to the terms of the Share Transfer Agreement I
"Share Transfer II"	transfer of 90% equity interest of the Target Company II from Vendor II to Purchaser II pursuant to the terms of the Share Transfer Agreement II
"Shareholder(s)"	holder(s) of the H-Shares and the Domestic Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Companies"	Target Company I and Target Company II
"Target Company I"	Guangdong Xinmao Biotechnology Company Limited* (廣東鑫茂生物科技有限公司)
"Target Company II"	Chaozhou Jiafu Packaging Materials Company Limited* (潮州市佳富包裝材料有限公司)
"Vendor I"	Shenzhen Zhongtou Construction Investment Company Limited* (深圳市中投建設投資有限公司), a company with limited liability incorporated under the laws of the PRC

"Vendor II"	Shenzhen Chen Sui Industrial Investment Company Limited* (深圳市琛穗實業投資有限公司), a company with limited liability incorporated under the laws of the PRC
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent

* *For identification purpose only*

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

Shenyang, the PRC, 16 November 2018

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Jing Ming, Mr. Deng Xiao Gang and Mr. Leng Xiao Rong, the non-executive directors are Mr. Yin Zong Chen and Mr. Ye Zhi E and the independent non-executive directors are Mr. Chan Ming Sun Jonathan, Mr. Guo Lu Jin and Ms. Gao Hong Hong.