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)

PROFIT WARNING

This announcement is made by Shenyang Public Utility Holdings Company Limited (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the "**2018 Financial Year**"), the Group is expected to record a significant increase in the loss before taxation for the 2018 Financial Year comparing with the loss before taxation of RMB27.7 million for the year ended 31 December 2017 (the "**2017 Corresponding Period**"). The Board considers the increase in the loss is mainly attributable to the combined effect of (i) the share of significant loss of associated company, Shishi Shen Guo Tou Commercial Property Company Limited comparing the share of profit for the 2017 Corresponding Period; (ii) the absence of the loss of disposal of subsidiary of RMB 2.0 million incurred in the 2017 Corresponding Period; (iii) decrease in the impairment loss recognised in respect of goodwill and (iv) recorded an exchange gain for the 2018 Financial Year comparing with an exchange loss for the 2017 Corresponding Period. The increase in loss for the 2018 Financial Year also attributable to the adoption of the Hong Kong Accounting Standard 9 "Financial Instrument" in replacement of Hong Kong Accounting Standard 39 as a result the "expected credit losses model" was adopted for the financial statements for the year ended 31 December 2018.

The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the information currently available. Such information has not been reviewed by the auditors of the Company. The Company is in the process of finalizing the annual results of the Group for the year ended 31 December 2018 (the "**2018 Annual Results**"). The 2018 Annual Results will be published by the Company before the end of March 2019 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

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

Shenyang, the PRC, 20 March 2019

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Jing Ming, Mr. Leng Xiao Rong and Mr. Chau Ting Yan, 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.