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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  
IN RELATION TO DISPOSAL OF SHARES OF  
CHAOZHOU RURAL COMMERCIAL BANK**

**THE SHARE DISPOSAL**

On 14 June 2023, the Vendor, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreements with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares for a Consideration of RMB12,000,000. The Sale Shares represent approximately 0.19% of the total issued share capital of Chaozhou Rural Commercial Bank as at the date of the Share Transfer Agreements.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Share Disposal are more than 5% but all are less than 25%, the Share Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Share Disposal is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**THE SHARE DISPOSAL**

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## THE SHARE TRANSFER AGREEMENTS

### Date

14 June 2023

### Parties

Vendor: Zhongfang Chaozhou Investment Development Company Limited\* (中房潮州投資開發有限公司), a limited company established under the laws of the PRC and a wholly-owned subsidiary of the Company and principally engaged in construction of infrastructures.

Purchaser: Ms. Chen Xi Ci\* (陳喜慈)

(each a “Party” and collectively, the “Parties”)

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons (as defined in Chapter 14A of the Listing Rules).

### Subject of the Share Disposal

Pursuant to the Share Transfer Agreements, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing approximately 0.19% of the total issued share capital of Chaozhou Rural Commercial Bank. The Sale Shares are genuine and lawful and are not subject to legal disputes and compulsory measures such as seizure or auction, nor are they subject to restrictions on transfer such as pledge or third party interests involved.

### Consideration

The total Consideration payable for the Share Disposal is RMB12,000,000. The Consideration shall be settled by the Purchaser within 90 business days from the effective date of the Share Transfer Agreements. The consideration per Sale Share is RMB2.4. The Consideration was determined after arm’s length negotiation between the Parties on normal commercial terms after taking into account of the valuation of the Sale Shares. The valuation on the equity value of the Sale Shares amounted to approximately RMB5,935,228 (or approximately RMB1.187 per Sale Share as at 31 December 2022 and the Consideration represents a premium of approximately 102% over to such value of the Sale Shares). The Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Completion**

The Completion shall be subject to the fulfillment of the following conditions:

- (i) the Share Transfer Agreements and the transfer of Sale Shares under the Share Transfer Agreements being approved by the Board;
- (ii) the Purchaser having settled the entire Consideration pursuant to the Share Transfer Agreements;
- (iii) the Chaozhou Rural Commercial Bank having completed the change of registration of the shareholder register of the Sale Shares.

The Parties shall use their best endeavour to fulfill the conditions above to complete the Share Disposal within six months upon the effective of the Share Transfer Agreements. Any extension shall be negotiated between the Parties.

If the Completion does not take place within six months upon the effective of the Share Transfer Agreements or within a period to be determined by the Parties, the Share Transfer Agreements shall be terminated. Upon termination of the Share Transfer Agreements, if the Purchaser has paid the Consideration to the Vendor, the Vendor shall refund the principal of the Consideration plus interest calculated at the bank deposit rate for the same period to the Purchaser within ten days after the termination of the Share Transfer Agreements. At the same time, the Purchaser shall return the dividend, if any, received from the Sale Shares to the Vendor.

Before the Completion, the Vendor holds an aggregate of 23,730,344 shares of Chaozhou Rural Commercial Bank, representing approximately 0.90% of total issued share capital of Chaozhou Rural Commercial Bank. Upon the Completion, the Vendor will hold a total of remaining of 18,730,344 shares of Chaozhou Rural Commercial Bank, representing approximately 0.71% issued share capital of Chaozhou Rural Commercial Bank.

## **INFORMATION ON CHAOZHOU RURAL COMMERCIAL BANK**

Chaozhou Rural Commercial Bank was established in June 2019 with a registered capital of RMB2,633,341,800. The business scope of Chaozhou Rural Commercial Bank includes: (i) taking RMB public deposits; (ii) extending short-term, medium-term and long-term RMB loans; (iii) handling domestic settlements; (iv) handling the acceptance and discounting of notes; (v) issuing, paying and underwriting government bonds as an agent; (vi) trading government bonds and financial bonds; (vii) interbank borrowing; (viii) bank card (debit card) services; (ix) receipt and payment of money as an agent and acting as insurance agents; (x) providing safe deposit box services; and (xi) other businesses approved by the banking regulatory authority under the State Council and other relevant regulatory authorities.

The audited value of the Sale Shares was approximately RMB5,935,228 as at 31 December 2022 and the attributable dividend income for the Sale Shares was approximately RMB350,000.

According to the latest audited financial statements of Chaozhou Rural Commercial Bank, the audited net asset value of Chaozhou Rural Commercial Bank as of 31 December 2022 was RMB5,193,940,040. The audited net profit before and after taxation and extraordinary items of Chaozhou Rural Commercial Bank for each of the two years ended 31 December 2021 and 2022 are set out below:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2022</b>
	<i>(RMB)</i>	<i>(RMB)</i>
Net profit before taxation and extraordinary items	579,145,940	621,726,131
Net profit after taxation and extraordinary items	461,745,464	500,665,384

#### **INFORMATION ON THE PURCHASER**

The Purchaser, Ms. Chen Xi Ci\* (陳喜慈), is a merchant in the PRC.

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

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

The Share Disposal represents a good opportunity for the Group to realise its investment. As the COVID-19 pandemic impacted the global economy and financial markets for the past years, the Directors consider the Share Disposal allow the Group to strengthen its cash position and would be able to utilise the net proceeds for general working capital including business development during the economy recovery period.

Taking into account the above and the positive financial effect upon the Completion, the Directors are of the view that the Share Disposal is in the interest of the Group and the terms and conditions of the Share Transfer Agreements are on normal commercial terms, which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE SHARE DISPOSAL AND INTENDED USE OF PROCEEDS**

As a result of the Share Disposal, the Group is expected to recognise a gain of approximately RMB6,024,772 which will be recognised as investment gain for the financial year ending 31 December 2023. The gain from the Share Disposal was calculated on the basis of the difference between the Consideration for the Share Disposal and the audited value of the Sale Shares as at 31 December 2022. The actual gain to be recorded by the Group will be subject to review and final audit by the auditors of the Company.

The net proceeds from the Share Disposal will be approximately RMB11,960,000 and the Company intends to apply such proceeds as general working capital.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Share Disposal are more than 5% but all are less than 25%, the Share Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Share Disposal is subject to the reporting 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”	board of the Directors
“Chaozhou Rural Commercial Bank”	Chaozhou Rural Commercial Bank Company Limited
“Company”	Shenyang Public Utility Holdings Company Limited
“Completion”	the completion of Share Disposal in accordance with the terms and conditions of the Share Transfer Agreements
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the total consideration of RMB12,000,000 for the Sale Shares paid by the Purchaser to the Vendor pursuant to the Share Transfer Agreements
“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”	Ms. Chen Xi Ci* (陳喜慈)
“Sale Shares”	5,000,000 Shares of Chaozhou Rural Commercial Bank, representing approximately 0.19% of the total issued share capital of Chaozhou Rural Commercial Bank as at the date of the Share Transfer Agreements
“Share(s)”	H-Share(s) and Domestic Share(s)
“Share Disposal”	Disposal of 5,000,000 shares of Chaozhou Rural Commercial Bank from the Vendor to the Purchaser pursuant to the Share Transfer Agreements
“Share Transfer Agreements”	share transfer agreement and its supplemental agreement dated 14 June 2023 entered into between the Purchaser and the Vendor in relation to the Share Disposal
“Shareholder(s)”	holder(s) of the H-Shares and the Domestic Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“RMB”	Renminbi, the lawful currency of the PRC
“Vendor”	Zhongfang Chaozhou Investment Development Company Limited* 中房潮州投資開發有限公司, a limited company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“%”	per cent

\* For identification purpose only

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

Shenyang, the PRC, 14 June 2023

*As at the date of this notice, the executive directors of the Company are Mr. Zhang Jing Ming, Mr. Huang Chunfeng and Mr. Leng Xiao Rong, the non-executive directors of the Company are Mr. Chau Ting Yan and Mr. Yin Zong Chen, and the independent non-executive directors of the Company are Mr. Guo Lu Jin, Mr. Luo Zhuo Qiang and Ms. Gao Hong Hong.*