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上海大眾公用事業(集團)股份有限公司

Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1635)

CONNECTED TRANSACTION
ENTERING INTO DOMESTIC FACTORING BUSINESS CONTRACT

DOMESTIC FACTORING BUSINESS CONTRACT

Dazhong Factoring (a subsidiary of the Company) entered into the Domestic Factoring Business Contract with Dazhong Wanxiang on August 29, 2025, pursuant to which Dazhong Factoring agreed to provide factoring financing to Dazhong Wanxiang, and Dazhong Wanxiang agreed to transfer its accounts receivable in the Underlying Contract to Dazhong Factoring in order for Dazhong Factoring to conduct factoring business of accounts receivable with recourse for Dazhong Wanxiang.

LISTING RULES IMPLICATIONS

Dazhong Factoring is a subsidiary of the Company. Dazhong Business Management is a substantial shareholder of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Dazhong Wanxiang is a subsidiary of Dazhong Business Management. Therefore, Dazhong Wanxiang is a connected person of the Company by virtue of being an associate of Dazhong Business Management. In accordance with the Listing Rules, the Domestic Factoring Business Contract and the transactions contemplated thereunder constitute a connected transaction of the Company. According to Rule 14A.81 of the Listing Rules, if a series of transactions are all entered into or completed within a 12-month period or are otherwise related, such transactions shall be aggregated and treated as if they are one transaction. As the Group conducted relevant transactions with Dazhong Wanxiang in the past 12 months, such transactions shall be calculated on an aggregated basis, and as the highest applicable percentage of the consolidated calculation of transactions exceeds 0.1% but is less than 5%, the Domestic Factoring Business Contract and transactions contemplated thereunder are subject to the announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Dazhong Factoring (a subsidiary of the Company) entered into the Domestic Factoring Business Contract with Dazhong Wanxiang on August 29, 2025, pursuant to which Dazhong Factoring agreed to provide factoring financing to Dazhong Wanxiang, and Dazhong Wanxiang agreed to transfer its accounts receivable in the Underlying Contract to Dazhong Factoring in order for Dazhong Factoring to conduct factoring business of accounts receivable with recourse for Dazhong Wanxiang.

ENTERING INTO OF DOMESTIC FACTORING BUSINESS CONTRACT

The key terms of the Domestic Factoring Business Contract are set forth as follows:

Date	:	August 29, 2025
Parties	:	Shanghai Dazhong Commercial Factoring Co., Ltd.* (a subsidiary of the Company) Shanghai Dazhong Wanxiang Automobile Repair Co., Ltd.* (a connected person of the Company)
Financing amount and term of factoring financing	:	Dazhong Factoring agreed to provide a factoring financing limit of no more than RMB40.00 million to Dazhong Wanxiang for a period of no more than 12 months. Dazhong Wanxiang agreed to pay interest at an annual interest rate of 4.9% to Dazhong Factoring, with repayments to be made on a monthly basis starting from the month immediately following the release of financing amount, and one-off factoring handling charge of 1%, i.e., RMB400,000. The interest on factoring financing was determined by the parties under the principle of fairness and reasonableness after arm's length negotiation with reference to (i) the amount of accounts receivable; (ii) the structural characteristics under the Underlying Contract; (iii) the historical transactions between Dazhong Factoring and Dazhong Wanxiang; (iv) the credibility of Dazhong Wanxiang; (v) the prevailing market interest rates on similar factoring transactions; and (vi) the 5-year loan prime rate published by the People's Bank of China on the day of financing release.

Transaction content	:	The proposed factoring business of accounts receivable with recourse by Dazhong Factoring to Dazhong Wanxiang shall mean Dazhong Wanxiang will transfer any and all of its creditor's rights, relevant interests and ancillary interests to and in any and all interest, overdue interest, penalty interest, compound interest, deposits, security deposits, insurance proceeds, liquidated damages, late charges, damages, compensations and other payable fees arising in the future under the Underlying Contract with the Debtor (including but not limited to right to recover security interest, retained interest, insurance interest and bill interests and other rights and interests acquired as a result of such accounts receivable) to Dazhong Factoring for Dazhong Factoring to provide factoring business to Dazhong Wanxiang. After Dazhong Wanxiang transfers its accounts receivable to Dazhong Factoring, Dazhong Factoring will be entitled to all rights and their ancillary interests to the accounts receivable under the Underlying Contract, but excluding any obligations of Dazhong Wanxiang under the Underlying Contract, and Dazhong Wanxiang shall still continue to perform its obligations to the Debtor under the Underlying Contract, provided that if Dazhong Wanxiang fails to perform the aforesaid obligations, the Debtor may not refuse to perform its payment obligations to Dazhong Factoring on this ground nor require Dazhong Factoring to perform relevant contract obligations on behalf of Dazhong Wanxiang. Where the Debtor fails to make payments pursuant to the contract when the accounts receivable are due, and Dazhong Factoring has provided the factoring financing amount to Dazhong Wanxiang, Dazhong Factoring may exercise its right of recourse against Dazhong Wanxiang by transferring the accounts receivable back to Dazhong Wanxiang and require Dazhong Wanxiang to pay the proceeds of reverse transfer and other amounts.
Past transaction amount	:	Within the past 12 months, the factoring financing amount provided by Dazhong Factoring to Dazhong Wanxiang was RMB50.00 million, with an annualized interest rate of 4.9% and the one-off factoring handling charge totaled RMB0.50 million.

REASONS FOR ENTERING INTO THE DOMESTIC FACTORING BUSINESS CONTRACT

Dazhong Wanxiang is a company with sound credibility. The transactions contemplated under the Domestic Factoring Business Contract (the "**Transactions**") will enable Dazhong Factoring to expand its business and generate stable income with controllable risk exposure. Meanwhile, the Transactions will not only help Dazhong Wanxiang shorten its time to collect accounts receivable and increase its fund utilization efficiency, but also allow Dazhong Factoring to expand its business scales and increase stable income. The Company retrieved a corporate credit report of Dazhong Wanxiang issued by the credit reference center of the People's Bank of China (the "**Credit Report**"), including the repayment history and background of credit transactions made by Dazhong Wanxiang. After reviewing the Credit Report, the Company is of the view that the evaluation results contained in the Credit Report of Dazhong Wanxiang are satisfactory and the credit risks of the Domestic Factoring Business Contract are relatively low. Therefore, the Board believes Dazhong Factoring and Dazhong Wanxiang can effectively complete the Transactions.

The Directors (including independent non-executive Directors) are of the view that the Transactions are entered into in the ordinary and usual course of business of the Group pursuant to normal commercial terms or better terms, and are fair and reasonable and in the interest of the Group and its shareholders as a whole.

As Mr. YANG Guoping and Mr. LIANG Jiawei, the executive Directors, also serve as directors of Dazhong Business Management, they are deemed to have material interests in the Transactions and have abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors has any material interest in the Transactions and is therefore required to abstain from voting on the relevant Board resolutions.

INFORMATION ON CONTRACTING PARTIES

Information on Dazhong Factoring

Dazhong Factoring is a limited liability company incorporated in the PRC on December 3, 2021. Dazhong Factoring mainly engages in factoring financing, sales ledger management and collection of accounts receivable. Dazhong Factoring is a wholly-owned subsidiary of the Company, and the Company's single largest shareholder is Dazhong Business Management. Dazhong Business Management is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會). Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會) is comprised of individual members, including the employees of Dazhong Business, the employees of the Company and the employees of Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份有限公司 (a joint stock company with limited liability incorporated in the PRC, whose A shares (stock code: 600611.SH) and B shares

(stock code: 900903.SH) are listed on the Shanghai Stock Exchange). As of the date of this announcement, the largest beneficial owner of Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會) is Mr. YANG Guoping, who holds 9.55% of the beneficial ownership interest in it. Save as disclosed above, there are no other persons who directly or indirectly hold more than 5% of the beneficial ownership interests in Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會).

Information about Dazhong Wanxiang

Dazhong Wanxiang is a limited liability company incorporated in the PRC on December 26, 1991. Dazhong Wanxiang is a connected person of the Company and mainly engages in automobile repair and sales of auto parts. Dazhong Wanxing is ultimately held by Dazhong Business Management, the single largest shareholder and a substantial shareholder of the Company, which is ultimately held by Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會).

LISTING RULES IMPLICATIONS

Dazhong Factoring is a subsidiary of the Company. Dazhong Business Management is a substantial shareholder of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Dazhong Wanxiang is a subsidiary of Dazhong Business Management. Therefore, Dazhong Wanxiang is a connected person of the Company by virtue of being an associate of Dazhong Business Management. In accordance with the Listing Rules, the Domestic Factoring Business Contract and the transactions contemplated thereunder constitute a connected transaction of the Company. According to Rule 14A.81 of the Listing Rules, if a series of transactions are all entered into or completed within a 12-month period or are otherwise related, such transactions shall be aggregated and treated as if they are one transaction. As the Group conducted relevant transactions with Dazhong Wanxiang in the past 12 months, such transactions shall be calculated on an aggregated basis, and as the highest applicable percentage of the consolidated calculation of transactions exceeds 0.1% but is less than 5%, the Domestic Factoring Business Contract and transaction contemplated thereunder are subject to the announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

"Board"	the board of directors of the Company
"Company"	Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (上海大眾公用事業(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability on January 1, 1992, whose A shares and H shares are listed on the Shanghai Stock Exchange since March 4, 1993 (stock code: 600635.SH) and the Main Board of the Hong Kong Stock Exchange since December 5, 2016 (stock code: 1635), respectively
"Dazhong Business Management"	Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司), a limited liability company incorporated in the PRC on March 10, 1995 and the single largest shareholder and a substantial shareholder of the Company
"Dazhong Factoring"	Shanghai Dazhong Commercial Factoring Co., Ltd.* (上海大眾商業保理有限公司), a limited liability company incorporated in the PRC on December 3, 2021, and a subsidiary of the Company
"Dazhong Wanxiang"	Shanghai Dazhong Wanxiang Automobile Repair Co., Ltd.* (上海大眾萬祥汽車修理有限公司), a limited liability company incorporated in the PRC on December 26, 1991 and a subsidiary of Dazhong Business Management
"Debtor"	Dazhong Transportation (Group) Co., Ltd. Dazhong Taxi Branch* (大眾交通(集團)股份有限公司大眾出租汽車分公司), a branch of Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份有限公司), in which the Group held approximately 26.87% shares as of the date of this announcement. Dazhong Transportation (Group) Co., Ltd. Dazhong Taxi Branch* (大眾交通(集團)股份有限公司大眾出租汽車分公司) is established in the PRC on September 4, 2003
"Director(s)"	the director(s) of the Company
"Domestic Factoring Business Contract"	the contract on domestic factoring financing business entered into between Dazhong Factoring and Dazhong Wanxiang on August 29, 2025
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"PRC"	The People's Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Underlying Contract"	the "Vehicle Repair Services Agreement (Roewe)" entered into between Dazhong Wanxiang and the Debtor on November 30, 2023 in relation to general repair contracting services from August 1, 2025 to July 31, 2026
"%"	percentage

By order of the Board
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
YANG Guoping
Chairman

Shanghai, the PRC
August 29, 2025

As at the date of this announcement, the executive Directors are Mr. YANG Guoping, Mr. LIANG Jiawei and Mr. WANG Baoping; the non-executive Directors are Mr. ZHAO Yeqing and Mr. JIN Yongsheng; and the independent non-executive Directors are Mr. JIANG Guofang, Ms. LI Yingqi, Mr. LIU Feng and Mr. YANG Ping.

* *For identification purposes only.*