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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)

INSIDE INFORMATION
ANNOUNCEMENT IN RELATION TO PROVISION FOR ASSET IMPAIRMENT AND WRITE-OFF OR SCRAP RETIREMENT OF PARTIAL ASSETS FOR THE YEAR 2025

This announcement is made by Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (the "**Company**", collectively with its subsidiaries, the "**Group**"), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. SUMMARY OF PROVISION FOR ASSET IMPAIRMENT AND WRITE-OFF OR SCRAP RETIREMENT OF PARTIAL ASSETS

In order to objectively, truthfully and accurately reflect the financial position of the Group as at December 31, 2025 and its operating results for the year ended 2025, in accordance with the Accounting Standards for Business Enterprises and the relevant provisions of the accounting policies of the Company, based on the principle of prudence, the Company conducted comprehensive inventory count and impairment test of the assets of each company within the scope of the consolidated financial statements, made impairment provisions for assets showing indications of impairment, wrote off assets meeting the conditions for write-off, and scrapped assets that required to be scrapped. According to the test results, the Company and its subsidiaries are required to make impairment provisions of RMB33.459 million in aggregate for 2025; and the Company is required to make impairment provisions for long-term equity investments of RMB5,870,000 for the year. A total of RMB116,200

of accounts receivables are to be written off by the subsidiaries of the Company. Fixed assets and non-current assets with a book value of RMB3.3911 million are to be scrapped by the Company and its subsidiaries.

II. DETAILS ABOUT PROVISION FOR ASSET IMPAIRMENT AND WRITE-OFF OR SCRAP RETIREMENT OF PARTIAL ASSETS

(I) Impairment provision of RMB33,458,960.48 in total should be made for the year

Provisions made by asset category are as follows:

1. Bad debt provision for accounts receivables

Pursuant to the relevant provisions of the "Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments", the Company classified its accounts receivables by materiality and credit risk characteristics as at the balance sheet date, and conducted separate impairment tests on receivables that are individually significant, or individually insignificant but for which bad debt provisions are assessed on an individual basis. The Company grouped customers or debtors based on different credit risk characteristics and, in combination with an ageing analysis, assessed the expected credit losses of accounts receivable. Based on historical experience, current conditions and forward-looking information, the Company estimates the probability of default and loss given default of accounts receivable and establishes a calculation model for expected credit loss amounts. Based on the expected credit loss rates applicable to the various categories of accounts receivable, a bad debt provision for accounts receivable of RMB1,852,035.78 is required to be made.

2. Bad debt provision for other receivables

Pursuant to the relevant provisions of the "Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments", the Company estimated the expected credit losses of other receivables on either an individual or on a collective basis. The Company determined whether to measure the loss allowance for other receivables at an amount equal to the expected credit losses over the next 12 months or over the lifetime of the financial instrument, depending on whether the credit risk of other receivables has increased significantly since initial recognition. The Company generally determined the three phases at which other receivables being overdue for no more than 30 days, 30–90 days and more than 90 days, in order to determine the method for making loss provision. Where there is objective evidence that a particular financial asset is credit-impaired, the Company makes an impairment provision for that

financial asset on an individual basis. A bad debt provision for other receivables of RMB–64,285.80 is required to be made in accordance with the Company's accounting policies.

3. Impairment provision of debt investments

The Company performs impairment assessment on financial assets measured at amortised cost and recognises loss provision based on expected credit losses. During the period, debt investments held by the Company classified in Stage 1 under the expected credit loss model was RMB55,475,116.62. In accordance with the Company's accounting policies, the credit impairment provision to be made for such debt investments amounted to RMB–1,649,703.66. The amount of the Company's debt investments classified in Stage 3 under the expected credit loss model was RMB99,587,037.80. In accordance with the Company's accounting policies, the credit impairment provision to be made for such debt investments amounted to RMB991,145.98. Therefore, the aggregate impairment provision for debt investments for the current period amounted to RMB–658,557.68.

4. Impairment provision of other debt investments

The Company performs impairment assessment on financial assets measured at fair value through other comprehensive income (debt instruments) and recognises loss provision based on expected credit losses. During the period, the Company was required to recognise a credit impairment provision on other debt investments of RMB–114.73 in accordance with the Company's accounting policies.

5. Impairment provision of financing lease receivables and factoring receivables

Pursuant to the relevant provisions of the "Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments", the Company applied the "three-phase" impairment model to measure loss allowances, recognise expected credit losses and related changes therein, and provides impairment allowances for finance lease receivables and factoring receivables on both an individual and a collective basis. Where there is objective evidence that a financial asset is credit-impaired, the Company estimates the impairment allowance for the relevant finance lease receivables and factoring receivables based on its analysis and judgment of, among other things, the debtor's financial position and operating conditions, the manner and timing of recovery, as well as historical loss experience, the loss emergence period and other adjustment factors. During the period, in accordance with the Company's

accounting policies, the impairment provision for finance lease receivables and factoring receivables to be made by the Company amounted to RMB–6,208,366.11.

6. Provision for inventory write-down

At the end of the period, inventories of the Company are measured at the lower of cost and net realisable value (being the estimated selling price of the inventories less the estimated costs to completion, the estimated selling expenses and the related taxes and levies). Where the cost exceeds the net realisable value, a provision for inventory write-down is made.

During the period, the subsidiary Nantong Development Zone Dazhong Gas Co., Ltd.* (南通開發區大眾燃氣有限公司) was required to make an inventory write-down provision of RMB156,764.28, as the net realisable value of certain LNG raw materials purchased at relatively high prices was lower than their carrying amount as at the end of the reporting period.

During the period, the subsidiary Hainan Dazhong Ocean Industry Co., Ltd.* (海南大眾海洋產業有限公司) engaged an external valuation agency to assess the recoverable value of the Company's consumable biological assets — young crops and dragon fruit seedlings. Based on the valuation results, an inventory write-down provision of RMB44,623.30 is required to be made as the recoverable value of the consumable biological assets was lower than their carrying amount.

7. Impairment provision of intangible assets

At the end of the period, the Company conducts impairment tests on intangible assets with indefinite useful lives. Based on the valuation performed by an external valuer engaged by the Company, the subsidiary Shanghai Dazhong Run Logistics Co., Ltd. was required to make an impairment provision for intangible assets of RMB25,600,000.00, as the recoverable amount of the Shanghai BH quota permit for small freight taxis was lower than its carrying amount.

8. Impairment provision of goodwill

For the cash-generating unit of Shanghai Dazhong Run Logistics Co., Ltd.* (上海大眾運行物流股份有限公司) to which goodwill is allocated, the carrying amount of the assets excluding goodwill, as continuously determined after allocation of the acquisition consideration, was RMB37.3444 million, the carrying amount of goodwill was RMB15.9211 million, and the carrying amount of the cash-generating unit including goodwill was RMB53.2655 million. The Company engaged Shanghai Orient Appraisal Co., Ltd.* (上海東洲資產評估有限公司) to conduct a valuation

using the income approach, pursuant to which the recoverable amount of the cash-generating unit including goodwill as at the end of 2025 was assessed at RMB36.8000 million. As the recoverable amount was lower than the carrying amount, a goodwill impairment provision of RMB12,736,861.44 was recognised for the period.

(II) Impairment provision of RMB5,870,000.00 to be made for the Company's long-term equity investment for the year

During the year, the Company is required to make an impairment provision of RMB5,870,000.00 for its long-term equity investment. In light of the changes in the external operating conditions of the BH license and future expectations during the period, the Company conducted an impairment test on the value of its equity interest in Shanghai Dazhong Run Logistics Co., Ltd. As at the end of 2025, the carrying amount of the Company's long-term equity investment in Shanghai Dazhong Run Logistics Co., Ltd. was RMB96.00 million. The Company engaged Shanghai Orient Appraisal Co., Ltd. to conduct a specific valuation of such equity interest, and the appraised value was RMB90.13 million. Based on the valuation results, the Company is required to make an impairment provision for its long-term equity investment of RMB5,870,000.00.

(III) Account receivables of RMB116,204.65 to be written off in total for the year

During the year, certain trade receivables of the subsidiary Shanghai Dazhong Run Logistics Co., Ltd.* (上海大眾運行物流股份有限公司) had been outstanding for a long period and remained unrecovered despite collection efforts through various channels. As such receivables have been confirmed to be irrecoverable, and full impairment provision has already been made, the trade receivables balance of RMB116,204.65 is proposed to be written off.

(IV) Non-current assets of RMB3,391,075.73 are to be written off for the year

During the year, the Company and its subsidiaries conducted a comprehensive inventory count of fixed assets, investment properties and other non-current assets. Assets that were damaged, dismantled, obsolete, beyond repair or no longer capable of generating economic benefits are proposed to be written off.

During the year, subsidiaries including Nantong Dazhong Gas Co., Ltd.* (南通大眾燃氣有限公司) and Shanghai Dazhong Gas Co., Ltd.* (上海大眾燃氣有限公司) wrote off fixed assets such as gas meters with a carrying amount of RMB3,133,011.50, which will reduce the Company's total profit for 2025 by RMB3,133,011.50. During the year, the Company also wrote off certain special-purpose equipment under investment properties with a carrying amount of RMB258,064.23, which will reduce the Company's total profit for 2025 by RMB258,064.23.

III. EFFECTS OF THIS PROVISION FOR ASSET IMPAIRMENT, WRITE-OFF OR SCRAP RETIREMENT OF CERTAIN ASSETS ON THE FINANCIAL CONDITION OF THE GROUP

The various impairment provisions made for the year will reduce the total profit of the Group in its 2025 consolidated financial statements by RMB33.4590 million. The write-off of the accounts receivable for the year will have no impact on the total profit of the Group in its 2025 consolidated financial statements. The write-off of non-current assets for the year will reduce the Group's total profit in the consolidated financial statements for 2025 by RMB3.3911 million.

The information contained in this announcement has been audited and reviewed by the Company's auditor. Further details of the financial performance of the Group have been disclosed in the Company's results announcement for the year ended December 31, 2025 published on March 30, 2026.

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

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

Shanghai, the People's Republic of China
March 30, 2026

As of 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*