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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 AND CONTINUING CONNECTED TRANSACTION ENTERING INTO TITLE TRANSFER AGREEMENT AND FINANCE LEASING CONTRACT

## ENTERING INTO TITLE TRANSFER AGREEMENT AND FINANCE LEASING CONTRACT

On April 29, 2026, Dazhong Financial Leasing, being a non-wholly owned subsidiary of the Company, entered into the Title Transfer Agreement and the Financial Leasing Contract with Dazhong Business Management. The Assets were transferred from Dazhong Business Management to Dazhong Financial Leasing. Meanwhile, the Assets shall be leased back to Dazhong Business Management, which are also obliged to pay rents.

## IMPLICATIONS OF THE LISTING RULES

According to the Listing Rules, Dazhong Financial Leasing is a non-wholly owned subsidiary of the Company. Dazhong Business Management is a substantial shareholder of the Company, and therefore is a connected person of the Company. The proposed title transfer under the Title Transfer Agreement therefore constitutes a connected transaction for the Company. As the highest applicable percentage ratio in respect of the title transfer is more than 0.1% but less than 5%, the proposed title transfer under the Title Transfer Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, and is exempt from the independent shareholders' approval requirements.

According to the Listing Rules, the proposed leaseback under the Finance Leasing Contract also constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio of the Annual Cap is more than 0.1% but less than 5%, the proposed leaseback under the Finance Leasing Contract shall be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, and is exempt from the requirement for independent shareholders' approval.

## INTRODUCTION

On April 29, 2026, Dazhong Financial Leasing, being a non-wholly owned subsidiary of the Company, entered into the Title Transfer Agreement and the Financial Leasing Contract with Dazhong Business Management. The Assets were transferred from Dazhong Business Management to Dazhong Financial Leasing. Meanwhile, the Assets shall be leased back to Dazhong Business Management, which are also obliged to pay rents.

## CONNECTED TRANSACTION IN RELATION TO THE ENTERING INTO OF THE TITLE TRANSFER AGREEMENT

The principal terms of the Title Transfer Agreement are summarized as follows:

Date: April 29, 2026

Parties: Transferor: Dazhong Business Management, a substantial shareholder of the Company.

Transferee: Dazhong Financial Leasing, a non-wholly owned subsidiary of the Company.

Pursuant to the Title Transfer Agreement, the Transferor agreed to sell and the Transferee agreed to purchase the Assets at a consideration of RMB59,000,000, which was determined after negotiations between the parties with reference to the appraised value of the Assets. Pursuant to the Valuation Report dated April 14, 2026, on the benchmark date of the appraisal (i.e., February 28, 2026), the appraised value of the Assets was RMB64,856,900, the original book value was RMB32,855,205 and the net book value was RMB11,480,093.73. The appraised value of the Assets is higher than their net book value, mainly because the market value of the Assets is higher than their net book value. The original acquisition cost of the Assets to Dazhong Business Management was approximately RMB91,789,182.96.

The Consideration shall be paid in full in cash by the Transferee to the Transferor within five (5) business days upon satisfaction of the following conditions:

(1) The execution of the Title Transfer Agreement and the Financial Leasing Contract, as well as all the attachments and legal documents;

(2) The Transferee having received a deposit of RMB5,900,000 and a handling fee of RMB1,239,000 under the Financial Leasing Contract from the Transferor.

**Valuation approach**

When selecting the valuation approach, consideration was given to two generally accepted methods (cost approach and income approach). The cost approach refers to a collection of various valuation techniques used for deriving the value of the subject asset by first estimating the replacement cost of the subject asset and then estimating various depreciation factors already existing with the subject asset and deducting them from the replacement cost. The income approach refers to a collection of various valuation techniques used for judging the value of an asset by estimating the present value of the future expected earnings from the subject asset. Three most essential preconditions must be met in order to appraise the value of an asset using the income approach: (1) the future expected earnings from the subject asset can be forecasted and can be measured in currency; (2) the risks borne by the asset owner in acquiring the expected earnings can also be forecasted and measured in currency; (3) the period of expected benefit from the subject asset can be forecasted. The reasons for adopting the relevant method is that it's relatively easy to acquire the replacement cost on markets for vehicles in the Assets and various depreciation factors are relatively easy to estimate, therefore the cost approach is used for valuation. As the taxi industry is rather mature and stable and the expected income from and risks associated with operating license are predictable, the income approach is used for valuation.

***1. Vehicles***

The replacement cost approach is used for appraisal according to the principle of asset substitution.

Calculation formula: appraised value = total replacement cost x comprehensive newness rate = RMB96,500.00 x 22.00%x 1 = RMB20,900.00. The appraised value of vehicles is RMB42,787,464.60.

*a. Determination of total replacement cost*

Total replacement cost of homemade machinery and equipment = equipment purchase price (exclusive of taxes) + freight and miscellaneous charges + installation fee + basic fee + upfront and other charges + cost of funds

The equipment purchase price is determined generally through market inquiry, consulting quotation manuals or by reference to offers from various vendors when purchasing equipment recently. As to equipment the prices of which cannot be inquired, the replacement price is determined by correcting the prices of similar equipment using the simulation approach.

The upfront and other charges generally include indirect costs such as design fee, supervision fee, commissioning fee and management fee, generally determined as per a certain ratio of the equipment purchase price.

The cost of funds is a cost arising from occupation of funds, and is calculated as per the construction period and payment method with respect to equipment that has long construction periods and high value; the cost of funds for equipment that has short construction periods and small value is generally negligible.

As the appraised entity is a general taxpayer of value-added tax (the "**VAT**") and the VAT paid is deductible, the purchase price of the equipment appraised this time is VAT-excluded price in all cases, i.e., VAT is left out of account. Therefore, the total replacement cost = vehicle purchase price (109,000.00) – deductible VAT [109,000.00/(1 + 13%) × 13%] = RMB96,500.00.

*b. Determination of comprehensive newness rate of equipment*

Comprehensive newness rate is generally determined using the service life method and technical observation method, by attributing different weights to newness rates calculated using the service life method and technical observation method in order to ultimately reasonably determine the comprehensive newness rate of equipment.

Comprehensive newness rate = newness rate derived using service life method x weighting coefficient + newness rate derived using technical observation method x weighting coefficient

Wherein: newness rate derived using service life method = (economic service life – elapsed service life)/economic service life x 100%

Or: newness rate derived using service life method = remaining service life/(remaining service life + elapsed service life) x100%

As such, the comprehensive newness rate is (6 – 4.7)/6 × 100% = 22.00%.

For transport vehicles, the newness rate is determined using the vehicle mileage and service life, whichever is lower, according to the compulsory vehicle retirement standards published by the State.

As all vehicles are operated outside along with operating licenses, making it impossible to obtain the mileage and corresponding operating licenses of all vehicles, the newness rate of vehicles appraised this time is dealt with according to service life.

*2. Operating License*

This appraisal also includes operating licenses for use with taxi operation, which were appraised using the income approach.

Since the income from the subject under appraisal is for indefinite period, the following formula is used to calculate the income price:

$V = \frac{a}{r} = 2.28/14.33\% = RMB158,800/piece$ (rounded to the nearest hundred)

Appraised value of operating licenses as intangible assets is 158,800.00 × 329 = RMB52,245,200.00

Wherein:

V — appraised value

a — net income

r — discount rate

In the income model, matters requiring further explanations are as follows:

*(1) Calculation of income*

Through investigation and analysis by valuators, proceeds related to the value of the taxi operating license are operating income turned over by taxi drivers to the taxi company, while the costs related to the value of taxi operating license are vehicle insurance cost, taxes, driver's social insurance contributions paid by the taxi company as well as depreciation of vehicles and costs of company management personnel, etc.

Calculation formula: net income = proceeds – costs = 0.80 × RMB120,000/vehicle – RMB73,700/vehicle = RMB22,800/vehicle

*(2) Determination of discount rate*

Based on the characteristics of valuation of taxi operating license and data collection results, this appraisal uses the built-up method to estimate the discount rate applicable to operating licenses. The built-up method is a method for deriving the discount rate by quantifying and adding up the risk-free rate of return and risk premium rate.

The discount rate is calculated using the following formula:

Discount rate r = risk-free rate of return + project-specific risk premium rate = 2.33% + 12% = 14.33%

**Valuation Assumptions**

The benchmark date of the Valuation Report is February 28, 2026, the value type of appraisal is market value, and the key assumptions used for valuation are customary assumptions underlying such valuation, including no substantial change in political, economic and social environment of the country and region after the reference date of appraisal, no substantial change in relevant national macroeconomic policy, industry policy and regional development policy after the reference date of appraisal, no substantial change in relevant interest rate, exchange rate, taxation basis and tax rate and policy-related levies after the reference date of appraisal, no material adverse effects arising from force majeure after the reference date of appraisal, continued use of the assets as per the original purpose and place, no material adverse effects of other force majeure factors or unforeseeable factors on the business, and that any and all evidence and data provided by the title holder such as business license of the company, taxi operating licenses, agreements signed and financial data are true and valid.

With respect to the valuation assumptions for the income approach, the valuation is based on the following: (1) an assumption that there is no substantial change in political, economic and social environment of the country and region after the reference date of appraisal; (2) an assumption that there is no substantial change in relevant national macroeconomic policy, industry policy and regional development policy after the reference date of appraisal; (3) an assumption that there is no substantial change in relevant interest rate, exchange rate, taxation basis and tax rate and policy-related levies after the reference date of appraisal; (4) an assumption that there are no material adverse effects arising from force majeure after the reference date of appraisal; (5) an assumption that the assets within the scope of appraisal will continue to be used as per the original purpose and place; (6) an assumption that there are material adverse effects of other force majeure factors or unforeseeable factors on the business; (7) an assumption that any and all evidence and data provided by the title holder such as business license of the company, taxi operating licenses, agreements signed and financial data are true and valid.

The organization issuing the valuation report is Shanghai Zhonghua Asset Evaluation Co., Ltd* (上海眾華資產評估有限公司), which is licensed to valuate assets and engage in securities and futures business and an independent third party.

**Effectiveness**

The Title Transfer Agreement shall take effect upon execution of the Financial Leasing Contract.

**Title Transfer**

Upon the transferee paying the Consideration to the Transferor, the title to the Asset will be transferred from the Transferor to the Transferee.

## CONTINUING CONNECTED TRANSACTION IN RELATION TO THE ENTERING INTO OF THE FINANCE LEASING CONTRACT

The principal terms of the Financial Leasing Contract are summarized as follows:

| | |
|---|---|
| Date: | April 29, 2026 |
| Parties: | Lessee: Dazhong Business Management, a substantial shareholder of the Company. |
| | Lessor: Dazhong Financial Leasing, a non-wholly owned subsidiary of the Company. |
| | Lease period: 36 months, commencing from the date of payment of the Consideration by Lessor (the "**Lease Period**") |

Pursuant to the Financial Leasing Contract, the Assets shall be leased back to the Lessee during the Lease Period at the total rent of RMB63,452,743.44, which was determined based on an annual rental rate of 4.55% with reference to the RMB loan benchmark interest rate of the People's Bank of China and a handling charge of RMB1,239,000. Such lease consideration shall be paid in cash by the Lessee to the Lessor during the Lease Period in twelve (12) installments on a quarterly basis.

**Annual Caps**

The maximum annual cap for the Leaseback under the Financial Leasing Contract for each of the year upon the Financial Leasing Contract becoming effective is RMB22,389,914.48 (comprises an annual rent of RMB21,150,914.48 and an one-off handling charge of RMB1,239,000 for the first year payable by the Lessee), which is determined based on the annual rent payable by the Lessee to the Lessor pursuant to the Financial Leasing Contract.

## INFORMATION ON THE PARTIES

## INFORMATION ON THE COMPANY

The Company's principal business is to provide public utility services. The Company also makes strategic and financial investments in associated companies in the public utility and other industries. The single largest shareholder of the Company 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). As at the date of this announcement, 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 composed of individual members, including the employees of Dazhong Business Management, 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 the 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. Except for the above disclosure, there are no other persons who directly or indirectly hold more than 5% of the beneficial ownership interest in the 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 ON DAZHONG BUSINESS MANAGEMENT

Dazhong Business Management is a limited liability company incorporated in the PRC on March 10 1995. Dazhong Business Management's principal business includes taxi operation services, investment management services, investment consulting services and auto parts sales. 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). For details of the ultimate 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), please refer to the above section "Information on the Company".

## INFORMATION ON DAZHONG FINANCIAL LEASING

Dazhong Financial Leasing is a limited liability company incorporated in the PRC on 19 September 1994. Dazhong Financial Leasing is a non-wholly owned subsidiary of the Company, 55% owned by the Company and principally engaged in financial leasing activities. Dazhong Financial Leasing 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). For details of the ultimate 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), please refer to the above section "Information on the Company".

## REASONS AND BENEFITS FOR ENTERING INTO THE TITLE TRANSFER AGREEMENT AND FINANCE LEASING CONTRACT

The Title Transfer and Leaseback of Assets are conducive to the expansion of the business scale and to the increase of stable income for the Transferee/Lessor. The qualifications of the Transferor/Lessee are satisfactory. The risks associated with the current financing lease are relatively small, and the rental return can be guaranteed with no damage to the interests of small and medium-sized shareholders.

The Directors (including the Independent Non-executive Directors) are of the view that the proposed transfers of asset ownership and leaseback (including the annual caps) respectively under the Title Transfer Agreement and the Finance Leasing Contract are entered into in the ordinary and usual course of business of the Company on normal

commercial terms or better, are fair and reasonable (particularly by reference to the valuation report), and are in the overall interests of the Company and its shareholders as a whole.

As at the date of this announcement, Mr. Yang Guoping and Mr. Liang Jiawei, who are the executive Directors of the Company and also the directors of Dazhong Business Management, were deemed to have material interests in the Title Transfer and Leaseback of Assets and therefore were required for and had abstained from voting at the Board meeting approving the Title Transfer Agreement and the Financial Leasing Contract. Save as disclosed above, none of the Directors has any material interest in the Title Transfer and Leaseback of Assets and thus is required to abstain from voting on the relevant Board resolutions.

## IMPLICATIONS OF THE LISTING RULES

Dazhong Financial Leasing is a non-wholly owned subsidiary of the Company. Dazhong Business Management is a substantial shareholder of the Company, and therefore is a connected person of the Company. The proposed title transfer under the Title Transfer Agreement therefore constitutes a connected transaction for the Company. As the highest applicable percentage ratio in respect of the title transfer is more than 0.1% but less than 5%, the proposed title transfer under the Title Transfer Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, and is exempt from the independent shareholders' approval requirements.

According to the Listing Rules, the proposed leaseback under the Finance Leasing Contract also constitutes a continuing connected transaction of the Company. As the highest applicable percentage ratio of the Annual Cap is more than 0.1% but less than 5%, the proposed leaseback under the Finance Leasing Contract shall be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, and is exempt from the requirement for independent shareholders' approval.

## DEFINITIONS

| | |
|---|---|
| "Annual Caps" | the annual caps of the Leaseback under the section headed "Annual Caps" |
| "Assets" | The 329 vehicles, all being Roewe Ei5 pure electric taxis, together with the corresponding operating licences |
| "Board" | the Board of Directors |

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|---|---|
| "Company" | Shanghai Dazhong Public Utilities (Group) Co., Ltd, a joint stock company with limited liability incorporated in the PRC on 1 January 1992, whose A shares and H shares have been listed on the Shanghai Stock Exchange since 4 March 1993 (stock code: 600635.SH) and the Main Board of the Hong Kong Stock Exchange since 5 December 2016 (stock code: 1635) respectively |
| "Consideration" | the consideration pursuant to the Title Transfer Agreement, which is RMB59,000,000 |
| "Dazhong Business Management" | Shanghai Dazhong Business Management Co., Ltd, a limited liability company incorporated in the PRC on 10 March 1995 and the single largest shareholder and a substantial shareholder of the Company |
| "Dazhong Financial Leasing" | Shanghai Dazhong Financial Leasing Co., Ltd., a limited liability company incorporated in the PRC on 19 September 2014 and 55% owned by the Company |
| "Director(s)" | the director(s) of the Company |
| "Financial Leasing Contract" | the financial leasing contract dated April 29, 2026 and entered into by and between Dazhong Financial Leasing and Dazhong Business Management |
| "Group" | the Company and its subsidiaries |
| "Leaseback" | the leaseback of Assets from the Lessor to the Lessee pursuant to the Title Transfer Agreement |
| "Lessee" | Dazhong Business Management |
| "Lessor" | Dazhong Financial Leasing |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "PRC" | The People's Republic of China which, for the purposes 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 |

| | |
|---|---|
| "Title Transfer" | the title transfer of Assets from the Transferor to the Transferee pursuant to the Title Transfer Agreement |
| "Title Transfer Agreement" | the title transfer agreement dated April 29, 2026 and entered into by and between Dazhong Financial Leasing and Dazhong Business Management |
| "Title Transfer and Leaseback of Assets" | Title Transfer and Leaseback |
| "Transferee" | Dazhong Financial Leasing |
| "Transferor" | Dazhong Business Management |
| "Valuation Report" | the valuation report dated April 14, 2026, which appraises the value of the taxis and their operating licenses under the Assets using the cost approach and income approach |
| "%" | Percentage |

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

Shanghai, China
April 29, 2026

*As of the date of this announcement, executive Directors are Mr. Yang Guoping, Mr. Laing 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 purpose only*