

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
INVOLVING DISPOSAL OF SHARES OF
CHAOZHOU RURAL COMMERCIAL BANK**

THE SHARE DISPOSAL

On 16 October 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company has entered into the Share Transfer Agreement with the Purchaser pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sales Shares for a cash consideration of RMB18,476,480. The Sale Shares represent approximately 0.48% of the issued share capital of Chaozhou Rural Commercial Bank as at the date of the Share Transfer Agreement.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Share Disposal are more than 5% but 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 but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE SHARE TRANSFER AGREEMENT

Date

16 October 2020

Parties

Vendor: Zhongfang Chaozhou Investment Development Company Limited* 中房潮州投資開發有限公司, a limited company incorporated under the laws of the PRC and a wholly owned subsidiary of the Company

Purchaser: 深圳市萬億貿易有限公司, a limited company incorporated under the laws of the PRC

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties 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 Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing approximately 0.48% of the issued share capital of Chaozhou Rural Commercial Bank. The Sale Shares will be sold free from all encumbrances together with all rights including but not limited to any dividend or other distribution declared, made or paid at any time on or after Completion.

Consideration

The total consideration payable for the Share Disposal is RMB18,476,480, of which RMB17,912,144 is the consideration for the Sale Shares and RMB564,336 is the dividend receivables from the Sale Shares.

The consideration shall be settled by the Purchaser within 30 Business Days upon signing the Share Transfer Agreement. The consideration per Sale Share is approximately RMB1.4. The consideration was determined after taking into account the valuation on the equity value of the Sale Shares amounting to RMB16,500,000 as at 31 July 2020 and the dividend receivables from the Sale Shares.

Completion

The Completion is conditional to the settlement of the Consideration by the Purchaser and the registration of share transfer after signing the Share Transfer Agreement.

Upon Completion, the Vendor will hold 0.9% issued share capital of in Chaozhou Rural Commercial Bank.

INFORMATION ON CHAOZHOU RURAL COMMERCIAL BANK

Chaozhou Rural Commercial Bank was established and commenced operation after the restructuring of Urban District Rural Credit Union* 潮州市區農村信用合作聯社 and Raoping Rural Credit Union* 饒平縣農村信用合作聯社 and Chao'an Rural Credit Union* 潮安區農村信用合作聯社.

Chaozhou Rural Commercial Bank has obtained the approval for commencement of business operation, finance license and business license, and officially commenced its business operation in June 2019. Chaozhou Rural Commercial Bank has 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.

Before completion, Zhongfang Chaozhou holds an aggregate of 36,490,344 shares of Chaozhou Rural Commercial Bank.

According to the latest unaudited financial statements, the unaudited net asset value of Chaozhou Rural Commercial Bank as of 30 June 2020 was approximately RMB4,605,997,000. 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 2018 and 2019 are set out below:

	For the year ended	
	31 December	
	2018	2019
	(RMB)	(RMB)
Net profit before taxation and extraordinary items	N/A	267,320,013
Net profit after taxation and extraordinary items	N/A	208,299,372

INFORMATION ON THE PURCHASER

The Purchaser is principally engaged in trading business. As at the date of this announcement, the Purchaser is owned as to Huang Shu Hua.

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 was made at the fair value prices and would enable the Group to realize investment in the Sale Shares. As the COVID-19 pandemic continues to impact the global economy and financial markets, the Directors consider the Share Disposal allow the Group to strengthen its cash position and thus would be able to utilize the net proceeds for general working capital.

Taking into account the above, 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 Agreement 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

Upon Completion, the Company will hold 0.9% issued share capital of in Chaozhou Rural Commercial Bank.

As a result of the Share Disposal, the Group is expected to recognise a loss of approximately RMB529,000 from the Share Disposal which will be recognised as investment loss for the financial year ending 31 December 2020. The loss 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 2019.

The Board intends to apply the sale proceeds from the Share Disposal as general working capital.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Share Disposal are more than 5% but 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 but is exempt from shareholders' approval requirement 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”	the board of Directors
“Business Days”	a day (excluding Saturday, Sunday and any other public holidays) on which banks in the PRC are generally open for settlement business
“Chaozhou Rural Commercial Bank”	Chaozhou Rural Commercial Bank Company Limited
“Company”	Shenyang Public Utility Holdings Company Limited
“Connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the total consideration of RMB18,476,480 for the Sale Shares paid by the Purchaser to the Vendor pursuant to the Share Transfer Agreement
“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”	深圳市萬億貿易有限公司, a limited company incorporated under the laws of the PRC
“Sale Shares”	12,760,000 Sale Shares, representing approximately 0.48% of the issued share capital of Chaozhou Rural Commercial Bank as at the date of the Share Transfer Agreement

“Share(s)”	H-Share(s) and Domestic Share(s)
“Share Disposal”	Disposal of 12,760,000 shares of Chaozhou Rural Commercial Bank from the Vendor to the Purchaser pursuant to the Share Transfer Agreement
“Share Transfer Agreement”	share transfer agreement dated 16 October 2020 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 incorporated 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, 16 October 2020

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