



上海大眾公用事業(集團)股份有限公司
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
(Stock Code: 1635)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

This announcement is made by Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (the “**Company**”) pursuant to Rule 13.51(1) of the Rules Governing the Listing of the Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of the Company hereby announces that for the amendment decision to repurchase shares, the Board passed the resolution in the fifteenth meeting of the tenth session of the Board held on 29 March 2019, agreed and submitted to the shareholders of the Company to approve the proposed amendments (the “**Proposed Amendments**”) to the articles of association of the Company (the “**Articles of Association**”) in the general meeting as follows:

Existing Provisions

Article 29 The Company may, in accordance with the procedures set out in laws, administrative regulations, departmental rules and the Articles of Association, repurchase its shares: (1) decreasing the registered capital of the Company; (2) merging with other companies holding shares of the Company; (3) awarding shares to employees of the Company; (4) shareholders objecting to resolutions of the general meeting concerning merger or division of the Company and requesting the Company to buy back their shares; (5) further acquisition of the shares of the Company by the shareholder(s) severally or jointly holding 10% or above shares of the Company.

In the event of (5), subject to the laws, regulations, normative documents and the relevant regulatory rules and requirements of the securities regulatory authority where the Company's shares are listed and the Articles of Association, the Company may buy back the shares of the Company immediately and transfer such shares to particular parties without approval or mandate and shall perform the obligation of information disclosure.

The Company shall not trade its shares unless in the aforesaid circumstances.

Provisions after Amendment

Article 29 The Company may, in accordance with the procedures set out in laws, administrative regulations, departmental rules and the Articles of Association, repurchase its shares: (1) decreasing the registered capital of the Company; (2) merging with other companies holding shares of the Company; (3) awarding Shares to employees of the Company; (4) shareholders objecting to resolutions of the general meeting concerning merger or division of the Company and requesting the Company to buy back their shares; **(5) use of shares for conversion of convertible corporate bonds issued by the Company; (6) the share buyback is necessary for the Company to maintain its Company value and protect its shareholders' equity; (7) further acquisition of the shares of the Company by the shareholder(s) severally or jointly holding 10% or above shares of the Company.**

In the event of (7), subject to the laws, regulations, normative documents and the relevant regulatory rules and requirements of the securities regulatory authority where the Company's shares are listed and the Articles of Association, the Company may buy back the shares of the Company immediately and transfer such shares to particular parties without approval or mandate and shall perform the obligation of information disclosure.

The Company shall not trade its shares unless in the aforesaid circumstances.

Existing Provisions

Article 30 The Company may repurchase its shares as approved by relevant state competent authorities by any of the following means: (1) making a general offer of repurchase to all shareholders in the same proportion; (2) repurchasing shares through public dealing on a stock exchange; (3) repurchasing shares by an off-market agreement; (4) other means approved by laws, administrative regulations, relevant competent authorities and the securities regulatory authority where the Company's shares are listed.

Provisions after Amendment

Article 30 **The Company may repurchase its shares by any of the following means:** (1) making a general offer of repurchase to all shareholders in the same proportion; (2) repurchasing shares through public dealing on a stock exchange; (3) repurchasing shares by an off-market agreement; (4) other means approved by laws, administrative regulations, relevant competent authorities and the securities regulatory authority where the Company's shares are listed.

If the Company repurchases the shares under any of the circumstances stipulated in paragraph (1), (3), (5) or (6) of Article 29 hereof, it shall be conducted by the open and centralized trading method on a stock exchange.

Existing Provisions

Article 31 If the Company acquires its own shares for reasons of paragraphs (1) to (3) of Article 29 of the Articles of Association, the proposed resolution shall be passed at the general meeting. Upon the acquisition of its own shares by the Company pursuant to Article 29, in the case of paragraph (1), the acquired shares shall be cancelled within ten (10) days from the date of acquisition; in the case of paragraphs (2) and (4), the acquired shares shall be transferred or cancelled within six months.

The number of shares to be acquired by the Company pursuant to paragraph (3) of Article 29 shall not exceed 5% of the total issued shares of the Company. The funds to be used for the acquisition shall be paid out of the after-tax profit of the Company. The shares so acquired shall be granted to the employees within one year.

Provisions after Amendment

Article 31 If the Company repurchases its own shares for the reasons of **paragraphs (1) or (2)** of Article 29 of the Articles of Association, the proposed resolution shall be passed at the general meeting. **If the Company repurchases the shares under any of the circumstances stipulated in paragraph (3), (5) or (6) of Article 29 hereof, a resolution of the Company's board of directors shall be made by a two-third majority of directors attending the meeting.**

Upon the acquisition of its own shares by the Company pursuant to sub-clause 1 of Article 29, in the case of paragraph (1), the acquired shares shall be cancelled within ten days from the date of acquisition; in the case of paragraphs (2) or (4), the acquired shares shall be transferred or cancelled within six months; in the case of paragraphs (3), (5) or (6), the shares held in total by the Company after repurchasing shall not exceed 10% of the total issued shares of Company, and shall be transferred or cancelled within three years. The Company's general meeting of shareholders may authorize the Board of Directors or the board of directors may authorize the relevant parties to determine the specific implementation plan for the Company to repurchase the shares of the Company in the circumstances of Article 29 hereof.

Upon the acquisition of its own shares , the Company shall perform their obligation for information disclosure according to the provisions of the Securities Law of the People's Republic of China and the Hong Kong Listing Rules.

Existing Provisions

Article 66 The general meeting is the organ of power of the Company and shall exercise the following powers: (1) deciding on the business policies and investment plans of the Company;..... (17) considering other matters which are to be decided by the shareholders in general meetings according to the laws, administrative regulations, departmental rules, or required in the Articles of Association.

Article 105 The following matters shall be adopted by way of special resolutions at shareholders' general meetings: (1) increase or reduction in the registered capital and issue of shares of any class, stock warrants and other similar securities;.....(7) equity incentive plans; (8) any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution.

Provisions after Amendment

Article 66 The general meeting is the organ of power of the Company and shall exercise the following powers:

(1) deciding on the business policies and investment plans of the Company;..... **(17) adopting resolutions on acquisition of shares of the Company as stipulated in paragraph (1) or (2) of Article 29 hereof; (18) examining other matters which are to be decided by the shareholders in general meetings according to the laws, administrative regulations, departmental rules, or required in the Articles of Association.**

Article 105 The following matters shall be adopted by way of special resolutions at shareholders' general meetings: (1) increase or reduction in the registered capital and issue of shares of any class, stock warrants and other similar securities;..... **(8) acquisition of shares of the Company as stipulated in paragraph (1) or (2) of Article 29 hereof;** (9) any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution.

Existing Provisions

Article 149 The Board of Directors exercises the following functions and powers: (1) to convene the shareholders' general meeting and to report on its work to the shareholders in general meetings;..... (7) to formulate plans for important mergers and acquisition of the shares of the Company, consolidation, division, dissolution or change of the form of the Company;..... (16) to exercise any other powers conferred by the laws, administrative regulations, department rules or the Articles of Association.

Other than the Board of Directors' resolutions in respect of the matters specified in items (6), (7) and (12) of this Article which shall be passed by the affirmative vote of more than two-thirds of all Directors as provided by laws, administrative regulations and the Company's Articles of Association, the Board of Directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of all the Directors.

Save for the Proposed Amendments to the Articles of Association set out above, other provisions in the Articles of Association remain unchanged.

Provisions after Amendment

Article 149 The Board of Directors exercises the following functions and powers: (1) to convene the shareholders' general meeting and to report on its work to the shareholders in general meetings;..... (7) to formulate plans for important mergers and acquisition. **The acquisition of the shares of the Company as stipulated in paragraph (1) of Article 29 hereof**, consolidation, division, dissolution or change of the form of the Company;..... **(16) to adopt resolutions on acquisition of shares of the Company as stipulated in paragraphs (3), (5) or (6) of Article 29 hereof; (17) to exercise any other powers conferred by the laws, administrative regulations, department rules, the Articles of Association or granted by the Company's general meeting of shareholders.**

Other than the Board of Directors' resolutions in respect of the matters specified in items (6), (7) and (12) of this Article which shall be passed by the affirmative vote of more than two-thirds of all Directors as provided by laws, administrative regulations and the Company's Articles of Association, the Board of Directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of all the Directors.

The above Proposed Amendments to the Articles of Association are subject to approval by the shareholders of the Company by way of a special resolution at a general meeting of the Company. A circular containing, among others, details of the Proposed Amendments will be despatched to the shareholders of the Company in due course.

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

Shanghai, the People's Republic of China

March 29, 2019

.....

*