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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 IMPAIRMENT AND WRITING-OFF OF ASSETS FOR 2020

This announcement is made by Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (the "Company", together with its subsidiaries, the "Group"), listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Listing Rules") under the Inside Information Provisions (Chapter 13.09 of the Listing Rules) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. SUMMARY OF PROVISION FOR IMPAIRMENT AND WRITING-OFF OF ASSETS

In accordance with the Company's accounting policy, the Company has provided a provision for impairment of assets of RMB26.0505 million as at December 31, 2020, and has written off assets of RMB3.8957 million for the year ended December 31, 2020, respectively. The provision for impairment of assets and the amount of assets written off are calculated based on the Company's assessment of the recoverability of its assets. The provision for impairment of assets and the amount of assets written off are disclosed in the Company's financial statements for the year ended December 31, 2020. A further RMB3.8957 million of assets written off is expected to be recorded in the Company's financial statements for the year ended December 31, 2021.

II. DETAILS OF PROVISION FOR IMPAIRMENT AND WRITING-OFF OF ASSETS

A. Impairment provision for accounts receivable RMB26,050,516.69

D. Impairment provision for other receivables:

1. Provision for bad debts in accounts receivable

Provision for bad debts in accounts receivable is determined based on the aging of accounts receivable. The provision is calculated as follows:

Category	Percentage	Amount (RMB)
Accounts receivable within 12 months	1%	1,234,567.89
Accounts receivable between 12 months and 24 months	5%	5,678,901.23
Accounts receivable between 24 months and 36 months	10%	10,123,456.78
Accounts receivable between 36 months and 48 months	20%	20,234,567.89
Accounts receivable between 48 months and 60 months	30%	30,345,678.90
Accounts receivable over 60 months	50%	50,456,789.01
Total		RMB2,919,196.36

2. Provision for bad debts in other receivables

Provision for bad debts in other receivables is determined based on the aging of other receivables. The provision is calculated as follows:

Category	Percentage	Amount (RMB)
Other receivables within 12 months	1%	1,234,567.89
Other receivables between 12 months and 24 months	5%	5,678,901.23
Other receivables between 24 months and 36 months	10%	10,123,456.78
Other receivables between 36 months and 48 months	20%	20,234,567.89
Other receivables between 48 months and 60 months	30%	30,345,678.90
Other receivables over 60 months	50%	50,456,789.01
Total		RMB-1,125,644.08

3. Provision for impairment of debenture investments

The Company has provided a provision for impairment of debenture investments for the year ended December 31, 2022, based on the impairment test results of the debenture investments. The provision for impairment of debenture investments is RMB3,466,394.23.

4. Impairment loss of other debenture investments

The Company has provided a provision for impairment of other debenture investments for the year ended December 31, 2022, based on the impairment test results of the other debenture investments. The provision for impairment of other debenture investments is RMB3,661,556.53.

5. Impairment loss of financial lease receivables

The Company has provided a provision for impairment of financial lease receivables for the year ended December 31, 2022, based on the impairment test results of the financial lease receivables. The provision for impairment of financial lease receivables is RMB23,022,749.44.

6. Provision for impairment of inventories

The Company has provided a provision for impairment of inventories for the year ended December 31, 2022, based on the impairment test results of the inventories. The provision for impairment of inventories is RMB1,234,567.89.

the amount of RMB1,429,377.27, which is the amount of the provision for impairment of assets and writing-off of assets on the financial position of the Company.

B. Assets of RMB3,895,714.33

During the reporting period, the Company's subsidiary, Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (上海大眾融資租賃有限公司), has provided financial guarantees to the Company. The Company has provided financial guarantees to the subsidiary of RMB3,895,714.33, which is the amount of the provision for impairment of assets and writing-off of assets on the financial position of the Company.

III. IMPACT OF PROVISION FOR IMPAIRMENT OF ASSETS AND WRITING-OFF OF ASSETS ON THE FINANCIAL POSITION OF THE COMPANY

The Company's assets of RMB26,050,500 in 2020, which is the amount of the provision for impairment of assets and writing-off of assets on the financial position of the Company.

The Company's assets of RMB26,050,500 in 2020, which is the amount of the provision for impairment of assets and writing-off of assets on the financial position of the Company.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
March 30, 2021

At the date of this statement, the executive directors of the Company are M. YANG Guoping, M. LIANG Jiawei, M. WANG Baogang and M. YANG Weibia; the non-executive directors of the Company are M. QU Jia and M. JIN Yonghe; and the independent non-executive directors of the Company are M. WANG Kaigang, M. CHOW Si Liang and M. LIU Zhedong.

* For identification only