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

(A [illegible] C[illegible])

(Stock Code: 1635)

INSIDE INFORMATION
IMPAIRMENT OF ASSETS

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

The board of directors of the Company (the "**Board**") hereby informs the shareholders of the Company (the "**Shareholders**") that, in order to more truly, accurately and fairly reflect the Company's financial status and asset value as of December 31, 2019, based on the principle of prudence, it is planned to make provision for impairment of the intangible assets (Shanghai BH Small Freight Lease Quota License and Small Freight Special Quota License* (滬BH小型貨運出租額度許可及小型貨運專用額度許可)) of its subsidiary Shanghai Dazhong Run Logistics Shares Co., Ltd.* (上海大眾運行物流股份有限公司

The Company engaged Shanghai Orient Appraisal Co., Ltd. * (上海東洲資產評估有限公司), an asset appraisal institution with securities and futures-related business appraisal qualifications in the People's Republic of China, to appraise the asset values related to Shanghai BH Small Freight Lease Quota License and Small Freight Special Quota License by using the income method. The appraisal results show that as of December 31, 2019, the recoverable amount of intangible assets related to Shanghai BH Small Freight Lease Quota License and Small Freight Special Quota License was RMB48.3 million.

At the end of 2019, the book value of the assets of Shanghai BH Small Freight Lease Quota License and Small Freight Special Quota License at the level of the Company's consolidated statement was RMB65.6848 million. According to the above appraisal results, the Company is required to recognise and provide for the impairment loss of intangible assets amounting to RMB17.3848 million for the part of the recoverable amount below the book value of intangible assets-Shanghai BH Small Freight Lease Quota License and Small Freight Special Quota License.

II. Impact on the Company's Financial Position

The intended provision for impairment of intangible assets of RMB17.7848 million will be included in the profit and loss in 2019, which is expected to reduce the net profit attributable to shareholders of listed company by RMB10.4309 million in 2019 and the owner's equity attributable to shareholders of listed company by RMB10.4309 million as at the end of 2019.

The information contained in this announcement has not been audited and reviewed by the Company's auditors. The Company will disclose further details of the Group's financial performance when releasing its financial results for the 12 months ended December 31, 2019.

Shareholders and prospective investors 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, 2020

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