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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)

UPDATES ON MAJOR TRANSACTION

This announcement is made by Shenyang Public Utility Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 13 August 2013, 26 November 2013 and 6 January 2014 (collectively the “**Announcements**”) in relation to the disposal of the entire issued share capital and the shareholder’s loan of the Disposal Company. Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to the Disposal Agreement entered into between the Company and the Purchaser, the Consideration for the Disposal is RMB280 million. As at the date of this announcement, the Purchaser has paid to the Company a partial consideration of RMB161 million and an late payment penalty of RMB1.8 million in accordance with the Disposal Agreement and the Supplemental Agreement. It is also agreed that the remaining balance of RMB119 million (the “**Final Payment**”) shall be paid in cash within 50 days upon the final acceptance of the first phase of the Project under the Disposal Agreement.

On 22 July 2014, the Company received a notice from the Purchaser pursuant to which the Purchaser requested the Company to reduce the Final Payment from RMB119 million to RMB69 million (the “**Proposed Reduction in Final Payment**”). The reason for such request is due to the increasing financial pressure of the Purchaser as a result of the unsatisfactory pre-sale performance of the Project. Under such circumstance, it is expected that the full

settlement of the Final Payment becomes uncertain. In this regard, the Board will further negotiate with the Purchaser for the Proposed Reduction in Final Payment and such issue will be discussed by the Board in the next Board meeting. The Company will keep its shareholders and the investors informed of any update of the Proposed Reduction in Final Payment in compliance with Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

By Order of the Board
Shenyang Public Utility Holdings Company Limited
Ma Zhong Hong
Chairman

Shenyang, PRC 24 July 2014

As at the date of this announcement, the executive directors of the Company are Mr. Ma Zhong Hong, Mr. Deng Xiao Gang and Mr. Huang Zhen Kun, the non-executive directors are Mr. Yin Zong Chen and Ms. Zhang Lei Lei and the independent non-executive directors are Mr. Wong Kai Tat, Mr. Wei Jie Sheng and Mr. Yu Guan Jian.