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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)

**VOLUNTARY ANNOUNCEMENT
PROPOSED CAPITAL REDUCTION OF
CHUNG HWA FINANCE LIMITED**

This announcement is made voluntarily by Shenyang Public Utility Holdings Company Limited (the “**Company**”).

The Company announces that Chung Hwa Finance Limited (“**Chung Hwa Finance**”), an indirectly non wholly owned subsidiary of the Company, has recently passed the special resolution (the “**Special Resolution**”) to approve proposed reduction of its share capital from HK\$200,000,000 to HK\$50,000,000 (the “**Capital Reduction**”).

Chung Hwa Finance proposed to reduce its share capital of Chung Hwa Finance by a total amount of HK\$150,000,000. The reduced share capital will be returned to the existing shareholders. No shares will be cancelled upon completion of the Capital Reduction.

The Capital Reduction will become effective in the event that no application was made to the Court of First Instance of the High Court of Hong Kong for cancellation of the Special Resolution by members of Chung Hwa Finance or creditors of Chung Hwa Finance within five weeks after the date of the Special Resolution.

Upon completion of the Capital Reduction, the issued share capital of Chung Hwa Finance will be decreased to HK\$50,000,000 while the number of issued shares will remain unchanged. Chung Hwa Finance will be remained owned as to 55% by Kingma Overseas Investment Development Corporation Limited and 45% by Chung Hwa Finance Holdings Limited respectively.

Chung Hwa Finance is a limited liability company established in Hong Kong which is principally engaged in money lending business in Hong Kong. It is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). Since the main business scope of Chung Hwa Finance is money lending, the Company considers that the

Capital Reduction as stated above is in the interest of the Company, which allows the Group to devote more resources to other potential investment opportunities.

By Order of the Board
Shenyang Public Utility Holdings Company Limited
Zhang Jing Ming
Chairman

Shenyang, the PRC, 23 January 2017

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Jing Ming, Mr. Deng Xiao Gang and Mr. Huang Zhen Kun, the non-executive directors are Mr. Yin Zong Chen and Ms. Li Yu Xiang and the independent non-executive directors are Mr. Chan Ming Sun Jonathan, Mr. He Qing Jia and Mr. Yu Guan Jian.