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China Shuifa Singyes Energy Holdings Limited

中國水發興業能源集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 750)

SUPPLEMENTAL ANNOUNCEMENT

(1) MAJOR AND CONNECTED TRANSACTION

DISPOSAL OF INTEREST IN SUBSIDIARY

AND

(2) DISCLOSEABLE TRANSACTION

CAPITAL CONTRIBUTIONS TO

NON-WHOLLY-OWNED SUBSIDIARY

Reference is made to the Company's announcement dated 16 December 2024 (the "**Announcement**") in relation to the Disposal, the Reorganisation and the Capital Contributions. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement, unless the context requires otherwise.

THE INVESTMENT AGREEMENT

The Disposal

The Company would like to clarify that the net effect of the Disposal would be (i) a decrease in the Group's effective indirect interest in Shuifa Clean Energy by 19.2% (i.e. 48% (equity interest in Shuifa Clean Energy to be transferred) x 40.05% (minority interest in the Investment Company held by China Cinda)); and (ii) a net increase in cash of the Group by an additional amount of RMB188,958,623.40 from China Cinda, being the net cash consideration for the Disposal to be paid to the Investment Company forthwith after the Investment Agreement (i.e. **the cash consideration for** 48% equity interest in Shuifa Clean Energy of RMB471,806,800 x 40.05%). The appraised value of 48% equity interest in Shuifa Clean Energy is approximately RMB471.7 million, which is essentially equivalent to the aforementioned cash consideration.

Pursuant to the Disposal under the Investment Agreement, the Investment Company shall acquire and the Company shall transfer 48% of the equity interest in Shuifa Clean Energy at the consideration of RMB471,806,800.

The Capital Commitment

The Company would like to provide the following information:

- (1) the cash consideration for the transfer of 48% equity interest in Shuifa Clean Energy in the amount of RMB471,806,800 is settled by (i) the sum of China Cinda's capital commitment in the Investment Company comprising RMB188,958,623 (i.e. proportional capital commitment of 40.05% of RMB471,806,800) and the China Cinda Capital Commitment in the amount of approximately RMB63.3 million (the "**Cinda Contribution**"); and (ii) the Investment Company utilizing its own internal resources; and
- (2) in view of the Cinda Contribution, in order to maintain Xingye Holding's and China Cinda's 59.95%:40.05% proportion in the overall capital commitments of the Investment Company, Xingye Holding's proportional capital commitment in the Investment Company comprises (i) the Xingye Holdings Capital Commitment in the amount of RMB158,254,500 (which has a payment period of five (5) years from the date of establishment of the Investment Company); and (ii) Xingye Holding's injected capital of approximately RMB219.5 million. Xingye Holding is not required to provide cash for the transfer of 48% equity interest in Shuifa Clean Energy to the Investment Company. Shuifa Clean Energy remains as a subsidiary of the Company after completion of the Disposal.

USE OF PROCEEDS

The Company wishes to supplement that it intends to utilise the proceeds from the Disposal in the following manner:

- approximately RMB150 million for the development of the Group's renewable and clean energy business, mainly for the construction and development of photovoltaic projects of the Group, including but not limited to acquisition of equipment, parts and components;
- approximately RMB276 million for repayment of indebtedness (including without limitation bonds, bank loans and finance lease repayments etc.); and
- approximately RMB45 million for general working capital.

LISTING RULES IMPLICATIONS

The Company has revisited the size tests in respect of the Disposal and the transactions contemplated thereunder. As one of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Disposal and the transactions contemplated thereunder exceeds 25% but all are less than 75%, the Disposal and the transactions contemplated thereunder constitute a major transaction of the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Disposal and the transactions contemplated thereunder may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal and the transactions contemplated thereunder; and (2) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Disposal and the transactions contemplated thereunder.

The Company has obtained written approval for the Disposal and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from Water Development (HK) Holding Co., Limited, being the beneficial owner of 1,687,008,585 Shares, representing approximately 66.92% of the issued share capital of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal and the transactions contemplated thereunder, and hence none of them would be required to abstain from voting on the resolution approving the Disposal and the transactions contemplated thereunder if the Company were to convene a general meeting. Accordingly, no general meeting will be held by the Company for approving the Disposal and the transactions contemplated thereunder as is permitted under Rule 14.44 of the Listing Rules.

A circular containing, amongst others, (i) details of the Disposal and the transactions contemplated thereunder; and (ii) other information required to be included in the circular under the requirements of the Listing Rules is expected to be despatched to the Shareholders on or before 30 April 2025 as additional time is required for preparation of information to be included in the circular.

By order of the Board
China Shuifa Singyes Energy Holdings Limited
Wang Jian
Chairman

Hong Kong, 12 February 2025

As at the date of this announcement, the executive Directors are Mr. Wang Jian (Chairman), Mr. Zhou Guangyan (Vice Chairman) and Mr. Chen Fushan, the non-executive Directors are Ms. Wang Suhui and Mr. Hu Xiao, and the independent non-executive Directors are Mr. Xiao Chuangying, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei.