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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 IN RELATION TO THE ACQUISITIONS OF THE TARGET COMPANIES

Reference is made to the announcement of China Shuifa Singyes Energy Holdings Limited (the “**Company**”) dated 9 December 2022 in relation to Acquisitions (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL SHARE TRANSFER AGREEMENT I

The Board announces that on 24 February 2023 (after trading hours), Hunan Shuifa Singyes, Shuifa Energy and Shuifa Energy (Tongyu) entered into Supplemental Share Transfer Agreement I to amend and supplement certain terms of Share Transfer Agreement I, the major amendments of which are set out as follows:

- (i) Pursuant to Share Transfer Agreement I, the first instalment of the consideration payable by Hunan Shuifa Singyes to Shuifa Energy for Share Transfer I in the amount of RMB117,911,900 shall be paid within 10 business days after all Share Transfer I CPs are being satisfied and by 31 December 2022.

Reference regarding “and by 31 December 2022” has been deleted in its entirety in the Supplemental Share Transfer Agreement I. Pursuant to the Supplemental Share Transfer Agreement I, the first instalment of the consideration payable by Hunan Shuifa Singyes to Shuifa Energy for Share Transfer I in the amount of RMB117,911,900 shall be paid within 10 business days after all Share Transfer I CPs are being satisfied.

- (ii) Pursuant to Supplemental Share Transfer Agreement I, completion of the transactions contemplated under Share Transfer Agreement I and completion of the transactions contemplated under Share Transfer Agreement II are inter-conditional. If any condition of one of the transactions cannot be fulfilled resulting in such transaction cannot be completed, completion will not take place in respect of the other transaction.
- (iii) Pursuant to Share Transfer Agreement I, completion of Share Transfer I is conditional upon the following conditions having been fulfilled by Hunan Shuifa Singyes and Shuifa Energy, except that the conditions precedent set out in paragraphs (d) and (e) below cannot be waived:
 - (a) The board of directors and shareholders of each of Hunan Shuifa Singyes and Shuifa Energy having approved Share Transfer I;
 - (b) other shareholders of Shuifa Energy (Tongyu) having provided a written confirmation on waiving their pre-emptive rights in connection with Share Transfer I;
 - (c) Hunan Shuifa Singyes and Shuifa Energy having completed the internal approval procedures of state-owned enterprise of the PRC in respect of Share Transfer I, including but not limited to obtaining internal approvals from Shuifa Energy and Shuifa Group and approvals from the State-owned Assets Supervision and Administration Commission of the State Council (if necessary);
 - (d) the Independent Shareholders having approved the transactions contemplated under Share Transfer Agreement I in accordance with the Listing Rules;
 - (e) the Company, being the controlling shareholder of Hunan Shuifa Singyes, having obtained approval in relation to Share Transfer I from the Stock Exchange in accordance with the Listing Rules (if necessary);
 - (f) Huaneng Tiancheng having agreed to cooperate with Shuifa Energy to discharge the pledge on 24% equity interest in Shuifa Energy (Tongyu); and
 - (g) Shuifa Energy having extended the registered capital paid-up period and having complete the change or record of registration at the local Administration of Market Regulation, in order to rectify the irregularity of the registered capital of Shuifa Energy (Tongyu) not being paid out as scheduled.

Reference regarding “except that the conditions precedent set out in paragraphs (d) and (e) below cannot be waived” has been deleted in its entirety in the Supplemental Share Transfer Agreement I. Pursuant to the Supplemental Share Transfer Agreement I, the parties agreed that all conditions set out in paragraphs (a) to (g) above cannot be waived in writing.

- (iv) Pursuant to Share Transfer Agreement I, completion of Share Transfer I by Shuifa Energy is conditional upon the following conditions having been fulfilled at or prior to Completion or waived in writing by Shuifa Energy, except paragraph (b) below:
- (a) all representations and warranties given by Hunan Shuifa Singyes under Share Transfer Agreement I having remained true, accurate, complete and not misleading on the date of execution of Share Transfer Agreement I and up to the Share Transfer I Completion Date; and
 - (b) Hunan Shuifa Singyes having signed and delivered to Shuifa Energy (Tongyu) and Shuifa Energy Share Transfer Agreement I.

Reference regarding “except paragraph (b) below” has been deleted in its entirety in the Supplemental Share Transfer Agreement I. Pursuant to the Supplemental Share Transfer Agreement I, the parties agreed that the condition set out in paragraph (a) above can be waived by Shuifa Energy in writing but the condition set out in paragraph (b) above cannot be waived in writing.

- (v) Pursuant to Share Transfer Agreement I, completion of Share Transfer I by Hunan Shuifa Singyes is conditional upon the following conditions having been fulfilled at or prior to Completion or waived in writing by Hunan Shuifa Singyes, except paragraph (b) below:
- (a) all representations and warranties given by Shuifa Energy under Share Transfer Agreement I having remained true, accurate, complete and not misleading on the date of execution of Share Transfer Agreement I and up to the Share Transfer I Completion Date;
 - (b) Shuifa Energy and Shuifa Energy (Tongyu) having signed and delivered to Hunan Shuifa Singyes Share Transfer Agreement I;
 - (c) each of Shuifa Energy and Shuifa Energy (Tongyu) not having materially breached any warranties given by it under Share Transfer Agreement I; and
 - (d) there has not been any material adverse effect or change on Shuifa Energy (Tongyu) since 30 April 2022.

Reference regarding “except paragraph (b) below” has been deleted in its entirety in the Supplemental Share Transfer Agreement I. Pursuant to the Supplemental Share Transfer Agreement I, the parties agreed that the condition set out in paragraph (a), (c) and (d) above can be waived by Hunan Shuifa Singyes in writing but the condition set out in paragraph (b) above cannot be waived in writing.

- (vi) Pursuant to Supplemental Share Transfer Agreement I, the meaning of “shareholders’ equity being abnormally reduced” has been supplemented to specifically refer to capital withdrawal by the shareholder(s), abnormal distribution of dividends, fictitious debt of the target company and sale of assets of the target company at a discounted price.

The Supplement Share Transfer Agreement I will become effective upon execution and affixation of company seal thereon by the parties and Share Transfer Agreement I having become effective.

SUPPLEMENTAL SHARE TRANSFER AGREEMENT II

The Board announces that on 24 February 2023 (after trading hours), Hunan Shuifa Singyes, Shuifa Fengyuan Energy and Shuifa Energy (Tongyu) entered into Supplemental Share Transfer Agreement II to amend and supplement certain terms of Share Transfer Agreement II, the major amendments of which are set out as follows:

- (i) Pursuant to Share Transfer Agreement II, the first instalment of the consideration payable by Hunan Shuifa Singyes to Shuifa Fengyuan Energy for Share Transfer II in the amount of RMB78,608,000 shall be paid within 10 business days after all Share Transfer II CPs are being satisfied and by 31 December 2022.

Reference regarding “and by 31 December 2022” has been deleted in its entirety in the Supplemental Share Transfer Agreement II. Pursuant to the Supplemental Share Transfer Agreement II, the first instalment of the consideration payable by Hunan Shuifa Singyes to Shuifa Fengyuan Energy for Share Transfer II in the amount of RMB78,608,000 shall be paid within 10 business days after all Share Transfer II CPs are being satisfied.

- (ii) Pursuant to Supplemental Share Transfer Agreement II, completion of the transactions contemplated under Share Transfer Agreement I and completion of the transactions contemplated under Share Transfer Agreement II are inter-conditional. If any condition of one of the transactions cannot be fulfilled resulting in such transaction cannot be completed, completion will not take place in respect of the other transaction.
- (iii) Pursuant to Share Transfer Agreement II, completion of Share Transfer II is conditional upon the following conditions having been fulfilled by Hunan Shuifa Singyes and Shuifa Fengyuan Energy, except that the conditions precedent set out in paragraphs (d) and (e) below cannot be waived:
 - (a) The board of directors and shareholders of each of Hunan Shuifa Singyes and Shuifa Fengyuan Energy having approved Share Transfer II;
 - (b) other shareholders of Shuifa Energy (Tongyu) having provided a written confirmation on waiving their pre-emptive rights in connection with Share Transfer II;

- (c) Hunan Shuifa Singyes and Shuifa Fengyuan Energy having completed the internal approval procedures of state-owned enterprise of the PRC in respect of Share Transfer II, including but not limited to obtaining internal approvals from Shuifa Fengyuan Energy and Shuifa Group and approvals from the State-owned Assets Supervision and Administration Commission of the State Council (if necessary);
- (d) the Independent Shareholders having approved the transactions contemplated under Share Transfer Agreement II in accordance with the Listing Rules;
- (e) the Company, being the controlling shareholder of Hunan Shuifa Singyes, having obtained approval in relation to Share Transfer II from the Stock Exchange in accordance with the Listing Rules (if necessary);
- (f) Huaneng Tiancheng having agreed to cooperate with Shuifa Fengyuan Energy to discharge the pledge on 16% equity interest in Shuifa Energy (Tongyu); and
- (g) Shuifa Fengyuan Energy having extended the registered capital paid-up period and having complete the change or record of registration at the local Administration of Market Regulation, in order to rectify the irregularity of the registered capital of Shuifa Energy (Tongyu) not being paid out as scheduled.

Reference regarding “except that the conditions precedent set out in paragraphs (d) and (e) below cannot be waived” has been deleted in its entirety in the Supplemental Share Transfer Agreement II. Pursuant to the Supplemental Share Transfer Agreement II, the parties agreed that all conditions set out in paragraphs (a) to (g) above cannot be waived in writing.

- (iv) Pursuant to Share Transfer Agreement II, completion of Share Transfer II by Shuifa Fengyuan Energy is conditional upon the following conditions having been fulfilled at or prior to Completion or waived in writing by Shuifa Fengyuan Energy, except paragraph (b) below:
 - (a) all representations and warranties given by Hunan Shuifa Singyes under Share Transfer Agreement II having remained true, accurate, complete and not misleading on the date of execution of Share Transfer Agreement II and up to the Share Transfer II Completion Date; and
 - (b) Hunan Shuifa Singyes having signed and delivered to Shuifa Energy (Tongyu) and Shuifa Fengyuan Energy Share Transfer Agreement II.

Reference regarding “except paragraph (b) below” has been deleted in its entirety in the Supplemental Share Transfer Agreement II. Pursuant to the Supplemental Share Transfer Agreement II, the parties agreed that the condition set out in paragraph (a) above can be waived by Shuifa Fengyuan Energy in writing but the condition set out in paragraph (b) above cannot be waived in writing.

- (v) Pursuant to Share Transfer Agreement II, completion of Share Transfer II by Hunan Shuifa Singyes is conditional upon the following conditions having been fulfilled at or prior to Completion or waived in writing by Hunan Shuifa Singyes, except paragraph (b) below:
- (a) all representations and warranties given by Shuifa Fengyuan Energy under Share Transfer Agreement II having remained true, accurate, complete and not misleading on the date of execution of Share Transfer Agreement II and up to the Share Transfer II Completion Date;
 - (b) Shuifa Fengyuan Energy and Shuifa Energy (Tongyu) having signed and delivered to Hunan Shuifa Singyes Share Transfer Agreement II;
 - (c) each of Shuifa Fengyuan Energy and Shuifa Energy (Tongyu) not having materially breached any of the warranties given by it under Share Transfer Agreement II; and
 - (d) there has not been any material adverse effect or change on Shuifa Energy (Tongyu) since 30 April 2022.

Reference regarding “except paragraph (b) below” has been deleted in its entirety in the Supplemental Share Transfer Agreement. Pursuant to the Supplemental Share Transfer Agreement II, the parties agreed that the condition set out in paragraph (a), (c) and (d) above can be waived by Hunan Shuifa Singyes in writing but the condition set out in paragraph (b) above cannot be waived in writing.

- (vi) Pursuant to Supplemental Share Transfer Agreement II, the meaning of “shareholders’ equity being abnormally reduced” has been supplemented to specifically refer to capital withdrawal by the shareholder(s), abnormal distribution of dividends, fictitious debt of the target company and sale of assets of the target company at a discounted price.

The Supplement Share Transfer Agreement II will become effective upon execution and affixation of company seal thereon by the parties and Share Transfer Agreement II having become effective.

SUPPLEMENTAL SHARE SUBSCRIPTION AGREEMENT II

The Board announces that on 24 February 2023 (after trading hours), Hunan Shuifa Singyes and Shuifa Clean Energy entered into the Supplemental Share Subscription Agreement II to amend and supplement certain terms of Share Subscription Agreement, pursuant to which the parties agreed that (i) the conditions precedent of Share Subscription Agreement as set out in paragraphs (a) to (d) in the Announcement under the paragraph headed “Conditions Precedent” in the section headed “ (iii) Share Subscription Agreement” of the Announcement cannot be waived in writing; and (ii) the conditions precedent of Share Subscription Agreement as set out in paragraphs (e) to (f) under the paragraph headed “Conditions Precedent” in the section headed “ (iii) Share Subscription Agreement” of the Announcement can be waived by Hunan Shuifa Singyes in writing.

The Supplement Share Subscription Agreement II will become effective upon execution by the parties and the Share Subscription Agreement having become effective.

The terms of the Supplemental Agreements have been arrived at after arm's length negotiations between the parties thereto. The Directors are of the view that the terms and conditions of the Supplemental Agreements are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Save for the terms amended and supplemented by the Supplemental Agreements, all other principal terms and conditions of Share Transfer Agreement I, Share Transfer Agreement II, Share Subscription Agreement and Supplemental Share Subscription Agreement shall remain unchanged and continue to be in full force and effect in all respects.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Hunan Shuifa Singyes”	Shuifa Green Energy Co., Ltd.* (水發綠色能源股份有限公司), formerly known as Hunan Shuifa Singyes Green Energy Co., Ltd.* (湖南水發興業綠色能源股份有限公司), a wholly-owned subsidiary of the Company;
“Share Transfer I CPs”	the conditions precedent for the completion of Share Transfer I;
“Share Transfer II CPs”	the conditions precedent for the completion of Share Transfer II;
“Supplemental Agreements”	Supplemental Share Transfer Agreement I, Supplemental Share Transfer Agreement II and Supplemental Share Subscription Agreement II;
“Supplemental Share Transfer Agreement I”	the supplemental agreement dated 24 February 2023 and entered into between Hunan Shuifa Singyes, Shuifa Energy and Shuifa Energy (Tongyu) to amend and supplement certain terms of Share Transfer Agreement I;
“Supplemental Share Transfer Agreement II”	the supplemental agreement dated 24 February 2023 and entered into between Hunan Shuifa Singyes, Shuifa Fengyuan Energy and Shuifa Energy (Tongyu) to amend and supplement certain terms of Share Transfer Agreement II; and

“Supplemental Share
Subscription Agreement”

the supplemental agreement dated 24 February 2023 and entered into between Hunan Shuifa Singyes and Shuifa Clean Energy to amend and supplement certain terms of Share Subscription Agreement.

By order of the Board
China Shuifa Singyes Energy Holdings Limited
Zheng Qingtao
Chairman

Hong Kong, 24 February 2023

As at the date of this announcement, the executive Directors are Mr. Zheng Qingtao (Chairman), Mr. Liu Hongwei (Vice Chairman), Mr. Chen Fushan and Mr. Wang Dongwei, the non-executive Directors are Mr. Xie Wen and Ms. Li Li, and the independent non-executive Directors are Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei.

** for identification purpose only*