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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE TARGET COMPANY

EQUITY TRANSFER AGREEMENT

The Company disposes of the 100% equity interest in the Target Company by way of a listing-for-sale. On 23 January 2024, the Shandong Property Rights Trading Center notified Tongyu Gaodeng, an indirect non wholly-owned subsidiary of the Company, that China Nuclear was confirmed as the successful bidder.

The Board is pleased to announce that on 23 January 2024 (after trading hours), Tongyu Gaodeng and China Nuclear have entered into the Equity Transaction Agreement, pursuant to which Tongyu Gaodeng agreed to sell and China Nuclear agreed to purchase the Sale Equity Interests at a consideration of RMB85,550,000.00.

Immediately after completion of the Disposal, the Company will no longer have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company. Therefore, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a disclosable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Company disposes of the 100% equity interest in the Target Company by way of a listing-for-sale. On 23 January 2024, the Shandong Property Rights Trading Center notified Tongyu Gaodeng, an indirect non wholly-owned subsidiary of the Company, that China Nuclear was confirmed as the successful bidder.

The Board is pleased to announce that on 23 January 2024 (after trading hours), Tongyu Gaodeng and China Nuclear have entered into the Equity Transaction Agreement.

THE EQUITY TRANSACTION AGREEMENT

The principal terms of the Equity Transaction Agreement are set out below:

Date 23 January 2024 (after trading hours)

Parties

1. Tongyu Gaodeng as the vendor
2. China Nuclear as the purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, China Nuclear and its ultimate beneficial owners are third parties, independent of and not connected with the Company and its connected persons.

Subject Matter Tongyu Gaodeng agreed to sell, and China Nuclear agreed to purchase the Sale Equity Interests in accordance with the terms and conditions of the Equity Transaction Agreement.

Consideration and Payment The total consideration is RMB85,550,000.00. The consideration was determined after taking into account various factors, further details of which are set out in the paragraph headed "Basis of determination of consideration" below.

The consideration will be paid by China Nuclear in the following manner:

- (1) China Nuclear shall pay the consideration in cash to the transaction capital settlement account designated by the Shandong Property Rights Trading Center within 5 business days upon the signing of the Equity Transaction Agreement.
- (2) Within 7 business days after the transaction certificate is issued by the Shandong Property Rights Trading Center, the Shandong Property Rights Trading Center will deposit the consideration into the designated bank account of Tongyu Gaodeng.

BASIS OF DETERMINATION OF CONSIDERATION

According to the relevant transaction rules of the Shandong Property Rights Trading Center, in the event that there is only one qualified bidder, the consideration of the Sale Equity Interests shall be the higher of the minimum consideration or the price offered by such qualified bidder. China Nuclear was the only qualified bidder. The successful tender price is RMB85,550,000.00 (which is also the minimum consideration). The minimum consideration for the Disposal was determined on normal commercial terms with reference to the unaudited net asset of the Target Company of RMB50,008,595.09 as of 30 November 2023 and the factors set out in the section “Reasons for and Benefits of the Disposal” of this announcement.

BACKGROUND INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. It is principally engaged in wind power generation (projects subject to approval according to law can only be carried out after approval by relevant departments). As at the date of this announcement, Tongyu Gaodeng holds all equity interests in the Target Company.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is a summary of the audited financial information for the financial year ended 31 December 2022 and a summary of the unaudited financial information for the financial year ended 31 December 2023 of the Target Company prepared in accordance with the PRC Generally Accepted Accounting Principles respectively:

	Year ended 31 December	
	2022	2023
	(audited)	(unaudited)
	(RMB)	(RMB)
Profit before taxation	0	530,985.35
Profit after taxation	0	530,985.35

In accordance with the PRC Generally Accepted Accounting Principles, the unaudited total asset and net asset of the Target Company as of 31 December 2023 were RMB1,017,624,839.39 and RMB50,530,985.35 respectively.

FINANCIAL EFFECTS OF THE DISPOSAL

Immediately after completion of the Disposal, the Company will no longer have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company. Therefore, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Based on the consideration for the Disposal, the Disposal is expected to generate a book profit of RMB35,019,014.65, which is calculated with reference to the consideration for the Disposal less the net asset of the 100% equity interests in the Target Company as of 31 December 2023. The exact amount of gain is subject to audit. The proceeds from the Disposal are intended to be used as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Taking into considerations of the Group's business direction and development strategy, operating costs and prospects of wind power generation business, the Company believes that the Disposal will enable the Group to reallocate resources to other businesses with higher returns and better prospects and help streamline its businesses to achieve better returns and value for the Company and its shareholders as a whole.

The Directors (including the independent non-executive Directors) believe that the terms of the Equity Transaction Agreement are fair and reasonable and on normal commercial terms, and the Disposal is in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Disposal and is required to abstain from voting on the board resolution approving the Disposal.

INFORMATION OF THE GROUP AND CHINA NUCLEAR

The Company is an investment holding company. The Group is a professional renewable energy system integrator and building contractor, and is principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated photovoltaic systems, as well as the manufacture and sale of solar power products.

Tongyu Gaodeng is a company established in the PRC with limited liability and is the indirect non wholly-owned subsidiary of the Company, principally engaged in wind power project development, construction, management and consulting services, and the purchase and sale of wind power products, equipment and parts.

China Nuclear is a company established in the PRC with limited liability and is principally engaged in wind and solar power generation technical services, and contract energy management, etc. The ultimate beneficial shareholder is China Nuclear Industrial Group Limited (whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a disclosable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Shuifa Singyes Energy Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 750)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the sale and purchase of the Sale Equity Interests pursuant to the Equity Transaction Agreement
“Equity Transaction Agreement”	the agreement entered into between Tongyu Gaodeng and China Nuclear on 23 January 2024 in respect of the transfer of the Sale Equity Interests
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interests”	total of 100% equity interests of the Target Company, prior to the date of entering into the Equity Transaction Agreement, Tongyu Gaodeng holds the entire equity interest of the Target Company
“Shandong Property Rights Trading Center”	Shandong Property Rights Trading Center* (山東產權交易中心)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tongyu Strong Wind Electric Power Co., Ltd.* (通榆強風電力有限公司)
“Tongyu Gaodeng”	Tongyu Gaodengsai Electric Power Co., Ltd.* (通榆高登賽電力有限公司)
“China Nuclear”	China Nuclear Huineng (Guangdong) Energy Co., Ltd.* (中核匯能(廣東)能源有限公司)
“%”	per cent

By order of the Board
China Shuifa Singyes Energy Holdings Limited
Mr. Wang Dongkai
Chairman

Hong Kong, 23 January 2024

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

** For identification purpose only*