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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)

MAJOR TRANSACTION ACQUISITION OF 100% EQUITY INTEREST IN TARGET COMPANY

UPDATE ON THE RECONSTRUCTION OF 35MW CAPACITY OF THE LIUPANSHUI PROJECT

Reference is made to (i) the circular of China Shuifa Singyes Energy Holdings Limited (the “**Company**”) dated 30 April 2026 (the “**Circular**”); and (ii) the announcement of the Company dated 21 October 2025 in relation to the Equity Transfer Agreement and the transactions contemplated thereunder. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Circular.

UPDATE ON THE RECONSTRUCTION OF 35MW CAPACITY OF THE LIUPANSHUI PROJECT

As disclosed in the Circular, in order to align the actual capacity with the approved registered capacity of the Liupanshui Project, the Target Company was in the process of conducting a reconstruction of 35MW capacity of the Liupanshui Project (the “**Reconstruction**”). It was expected that the Reconstruction will be completed in September 2026.

The Group had previously selected parcels of land for the Reconstruction. Due to issues relating to local land resources management (made aware to the Company in around late May 2026), the Target Company was only allocated parcels of land located in Zuojiaying (左家營), Wujiazhai (吳家寨) and Xinhucun (新華村) with a total area of 287 Mu for the Reconstruction.

Having considered (i) the reduction in total land area; (ii) separate reconstruction on the two land parcels located in Wujiashai (吳家寨) and Xinhuacun (新華村) (with smaller land areas and are distant from the existing core land parcel) will drive the construction and maintenance cost up and affect overall efficiency of the Liupanshui Project; (iii) the rental expense for land leases; and (iv) the original timeline for the Reconstruction, the Target Company has formulated a new plan for the Reconstruction (the “**New Reconstruction Plan**”) after a comprehensive assessment process (involving physical inspection, technical analysis and comparative study of various plans). Under the New Reconstruction Plan, the Target Company intends to (i) use the parcel of land located in Zuojiaying (左家營) with a land area of 111 Mu (the “**New Land**”) for the construction of 660Wp high efficiency photovoltaic modules and equipment (the “**Updated Reconstruction**”); and (ii) make technical modifications and upgrades to the existing 65MW capacity photovoltaic modules and equipment, replacing part of the existing 255Wp low efficiency photovoltaic modules and equipment with new 660Wp high efficiency photovoltaic modules and equipment (the “**Technical Modifications**”). Through the improvement of efficiency and optimisation of equipment settings under the New Reconstruction Plan, the Liupanshui Project will have a restored total capacity of 100MW upon completion of the New Reconstruction Plan. Based on the prevailing policies on national tariff verification in respect of renewable energy, and taking into account (i) the ultimate capacity of the Liupanshui Project remains to be unchanged at 100MW; (ii) there is no change to the investment entities; and (iii) the grid connection time and tariff verification standards remain unchanged; it is expected that the change of plan for the Reconstruction will have no material impact on the national tariff verification.

Set forth below are the key steps under the New Reconstruction Plan:

Updated Reconstruction

- (1) Signing land lease contract (terms substantially agreed) for the New Land (Expected to be completed by mid-August 2026)
- (2) Obtaining forestry land approval (Expected to be completed by the end of August 2026)
- (3) Reconstruction work, including design, installation and grid connection work (Expected to be completed by the end of September 2026)

Technical Modifications

- (1) Dismantlement of old parts and supporting frames by different areas (Expected to be completed by the end of August 2026)
- (2) Installation of new frames and high-efficiency parts, to be conducted concurrently with the dismantlement work (Expected to be completed by the end of September 2026)

The New Reconstruction Plan will be subject to relevant approval under internal administrative requirements for state-owned assets (expected to be completed by the end of July 2026). Save as disclosed above, the Company is not aware of any additional procedures or regulatory or administrative approval required for the implementation of the New Reconstruction Plan, and confirms that the New Reconstruction Plan is in compliance with land grant conditions and laws, rules and regulations in the PRC.

Taking into account the Group's experience, market position and resources in new energy industry and an assessment of the relevant construction cycle, it is expected that the reconstruction work under the New Reconstruction Plan will be completed in full by the end of September 2026. There is no material delay to the completion time under the original Reconstruction plan.

As disclosed in the Circular, the estimated cost of the Reconstruction was approximately RMB20.00 million. Based on a budget of the New Reconstruction Plan, the estimated cost of the Reconstruction would be approximately RMB49.97 million, representing an increase of approximately RMB29.97 million. At the same time, with reference to the remaining useful life of 14.75 years (from completion of the Reconstruction in September 2026 to 2041), the New Reconstruction Plan would have the effect of (i) reducing the expected aggregate rental expense by approximately RMB4.28 million due to the reduced leased land area; (ii) reducing one-off various government application and approval fees and various land resumption compensation expenses by approximately RMB5.50 million; and (iii) increasing the aggregate income for sale of electricity by approximately RMB71.05 million as a result of the enhancement of efficiency. In view of the above, the Company considers that the New Reconstruction Plan represents a practical alternative solution for the Reconstruction and is overall beneficial to the Group as compared to the original plan.

By order of the Board
China Shuifa Singyes Energy Holdings Limited
Zhou Guangyan
Vice Chairman and Executive Director

Hong Kong, 16 July 2026

As at the date of this announcement, the executive Directors are Mr. Zhou Guangyan (Vice Chairman and assuming the duties of the Chairman), Mr. Guo Peidong (President) and Mr. Chen Fushan, the non-executive Directors are Ms. Wang Suhui and Mr. Hu Xiao, and the independent non-executive Directors are Mr. Jimmy Sun, Mr. Wang Jin and Dr. Tan Hongwei.

** For identification purpose only*