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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)

**FURTHER INFORMATION ON
DISCLOSEABLE TRANSACTION
ACQUISITION OF TARGET COMPANY**

Reference is made to the announcement of China Shuifa Singyes Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 January 2021 (the “**Announcement**”) in relation to the acquisition of the entirety of the equity interest in Dunhuang Anjie New Energy Co., Ltd.* (敦煌安潔新能源有限公司) by the Group, which constituted a discloseable transaction of the Company. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Company would like to provide its Shareholders and potential investors with the following further information in relation to the Acquisition.

As disclosed in the Announcement, the Acquisition Sum was determined after arm’s length negotiations between the Vendor and the Purchaser and with reference to, amongst others, the appraised value of the Target Company of RMB14,400,000 as at 31 August 2020 (the “**Appraised Value**”) according to a valuation report prepared by an independent valuer. The Appraised Value was determined based on market method with reference to a ratio of the value of operating assets against the earnings before interest, tax and depreciation computed by taking an average of such ratios of five (5) comparable solar farm projects of similar nature, size, timeframe and each being potentially eligible to the eighth batch of national subsidies. The principal assumptions of the valuation are:

1. The Photovoltaic Project and the solar farm thereunder, and the Target Company, are operated on a going concern basis;
2. There being no significant change in external environment; and

3. No significant repair and maintenance are required.

As disclosed in the Announcement, the Acquisition Sum was RMB9,600,000, representing a discount of approximately 33.3% compared to the Appraised Value. The principal reason for the difference between the Acquisition Sum and Appraised Value was that, as at 31 August 2020, (i) despite the Photovoltaic Project was believed to meet the eligibility requirements for the eighth batch of the national subsidies, it was uncertain as to the timing at which such subsidies may be confirmed or obtained; and (ii) procedures regarding grid connection were pending completion.

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

Hong Kong, 11 February 2021

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