

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors (the “Directors”, collectively referred to as the “Board”) of China Shuifa Singyes Energy Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023 (the “Period”).

FINANCIAL HIGHLIGHTS

| | For the six months ended 30 June | |
|--|---|-------------------------------------|
| | 2023 | 2022 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited and restated) |
| Revenue | 2,231,691 | 3,085,905 |
| Profit before income tax | 79,992 | 215,929 |
| Income tax expense | 19,262 | 39,635 |
| Profits for the period attributable to owners of the Company | 23,835 | 139,896 |
| Earnings per share for profit attributable to owners of the Company | | |
| – Basic and diluted | RMB0.009 | RMB0.055 |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

| | <i>Notes</i> | Six months ended 30 June | |
|---|--------------|---------------------------------|---------------------------------|
| | | 2023 | 2022 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | (Unaudited) | (Unaudited and restated) |
| Revenue | 4 | 2,231,691 | 3,085,905 |
| Cost of sales | | (1,727,908) | (2,446,412) |
| Gross profit | | 503,783 | 639,493 |
| Distribution costs | | (21,434) | (31,614) |
| Administrative expenses | | (156,199) | (169,648) |
| Net impairment losses on financial and contract assets | | (49,748) | (50,187) |
| Other income | | 14,991 | 19,296 |
| Other gains – net | | 20,184 | 8,915 |
| Operating profit | | 311,577 | 416,255 |
| Finance income | | 14,751 | 1,822 |
| Finance costs | | (246,626) | (202,384) |
| Finance costs – net | | (231,875) | (200,562) |
| Share of net results of associates accounted for using the equity method | | 290 | 236 |
| Profit before income tax | | 79,992 | 215,929 |
| Income tax expense | 5 | (19,262) | (39,635) |
| Profit for the period | | 60,730 | 176,294 |
| Comprehensive loss | | | |
| Items that may be reclassified to profit or loss | | | |
| – Currency translation differences | | (53,534) | (95,832) |
| – Changes in fair value of equity investments at fair value through other comprehensive income | | 176 | 981 |
| Total other comprehensive loss for the period | | (53,358) | (94,851) |
| Total comprehensive income for the period | | 7,372 | 81,443 |

| | | Six months ended 30 June | |
|--|---|---------------------------------|--------------------------|
| | | 2023 | 2022 |
| <i>Notes</i> | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | (Unaudited) | (Unaudited and restated) |
| Profit for the period attributable to: | | | |
| Owners of the Company | | 23,835 | 139,896 |
| Non-controlling interests | | 36,895 | 36,398 |
| | | <u>60,730</u> | <u>176,294</u> |
| Total comprehensive (loss)/income attributable to: | | | |
| Owners of the Company | | (29,523) | 45,045 |
| Non-controlling interests | | 36,895 | 36,398 |
| | | <u>7,372</u> | <u>81,443</u> |
| Earnings per share for profit attributable to owners of the Company | | | |
| Basic and diluted | 6 | <u>RMB0.009</u> | <u>RMB0.055</u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 30 June 2023 | 31 December 2022 |
|--|--------------------------------------|-------------------------------------|
| <i>Notes</i> | RMB'000 (Unaudited) | RMB'000 (Restated) |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 6,786,820 | 7,484,448 |
| Investment properties | 338,526 | 335,182 |
| Right-of-use assets | 346,785 | 381,044 |
| Intangible assets | 103,808 | 106,588 |
| Prepayments | 89,891 | 93,451 |
| Investments accounted for using equity method | 3,090 | 2,801 |
| Deferred tax assets | 333,033 | 312,947 |
| Equity investments designated at fair value through other comprehensive income | 23,752 | 23,567 |
| | 8,025,705 | 8,740,028 |
| Current assets | | |
| Inventories | 87,195 | 80,106 |
| Contract assets | 3,912,221 | 3,904,782 |
| Trade and bills receivables | 8 4,915,915 | 4,494,348 |
| Prepayments, other receivables and other assets | 1,603,586 | 1,305,852 |
| Pledged deposits | 356,370 | 336,877 |
| Financial assets at fair value through profit or loss | 6,313 | 6,469 |
| Cash and cash equivalents | 435,660 | 493,545 |
| | 11,317,260 | 10,621,979 |
| Total current assets | 11,317,260 | 10,621,979 |
| Total assets | 19,342,965 | 19,362,007 |
| Equity | | |
| Equity attributable to owners of the Company | | |
| Share capital | 10 174,333 | 174,333 |
| Reserves | 2,189,787 | 2,243,325 |
| Retained earnings | 1,963,734 | 1,939,899 |
| | 4,327,854 | 4,357,557 |
| Non-controlling interests | 1,099,389 | 1,103,812 |
| Total equity | 5,427,243 | 5,461,369 |

| | | 30 June | 31 December |
|--------------------------------------|--------------|--------------------------|--------------------------|
| | | 2023 | 2022 |
| | <i>Notes</i> | RMB'000 | RMB'000 |
| | | (Unaudited) | (Restated) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Borrowings | | 5,185,111 | 5,448,610 |
| Bonds payable | | 75,000 | 75,500 |
| Deferred tax liabilities | | 106,342 | 106,961 |
| Lease liabilities | | 91,849 | 116,057 |
| Deferred income | | 160,889 | 167,141 |
| | | <u>5,619,191</u> | <u>5,914,269</u> |
| Total non-current liabilities | | | |
| Current liabilities | | | |
| Trade and bills payables | 9 | 3,349,682 | 3,102,262 |
| Other payables and accruals | | 1,549,595 | 2,013,245 |
| Contract liabilities | | 453,196 | 349,902 |
| Borrowings | | 2,667,633 | 2,411,518 |
| Bonds payable | | 102,702 | — |
| Income tax payable | | 167,936 | 103,729 |
| Lease liabilities | | 5,787 | 5,713 |
| | | <u>8,296,531</u> | <u>7,986,369</u> |
| Total current liabilities | | | |
| Total liabilities | | | |
| | | <u><u>13,915,722</u></u> | <u><u>13,900,638</u></u> |
| Total equity and liabilities | | | |
| | | <u><u>19,342,965</u></u> | <u><u>19,362,007</u></u> |

1. GENERAL INFORMATION

China Shuifa Singyes Energy Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Center, 168-200 Connaught Road Central, Hong Kong.

During the six months ended 30 June 2023 (the “Period”), the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the design, manufacture, supply and installation of conventional curtain walls, wind farm construction and building integrated solar photovoltaic systems, sale of electricity, as well as the manufacture and sale of wind power and solar power products. There were no significant changes in the nature of the Group’s principal activities during the Period.

In the opinion of the directors of the Company (the “Directors”), the immediate holding company, the intermediate holding company and ultimate holding company of the Company are Water Development (HK) Holding Co., Ltd., which is incorporated in Hong Kong, Shuifa Energy Group Limited (水發能源集團有限公司, “Shuifa Energy”), which is incorporated in the PRC, and Shuifa Group Co., Ltd (水發集團有限公司, “Shuifa Group”), which is incorporated in the PRC, respectively.

This interim condensed consolidated financial information has not been audited and are presented in Renminbi (“RMB”), unless otherwise stated.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”).

The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) except for the adoption of new and amended standards as disclosed in note 3.

On 9 December 2022, Hunan Shuifa Singyes Green Energy Co., Ltd. (“Hunan Green Energy”), an indirect wholly owned subsidiary of the Company, entered into an equity transfer agreement with Shuifa Clean Energy Technology Co., Ltd (“Shuifa Clean Energy”), a company controlled by the ultimate holding company, Shuifa Group. Pursuant to the equity transfer agreement, Hunan Green Energy agreed to subscribe for the 105,613,100 new shares of Shuifa Clean Energy, representing 51% equity holding in Shuifa Clean Energy, at the aggregate subscription price of RMB503,774,500 (equivalent to approximately HK\$569,265,185). The transaction was completed on 29 March 2023.

The Company, Hunan Green Energy and Shuifa Clean Energy are all under the control of Shuifa Group before and after the above transaction. Therefore, the above transaction was accounted for as business combinations under common control using the principles of merger accounting. The financial statements of Shuifa Clean Energy have been included in the Group’s consolidated financial statements as if the acquisition had occurred from the date when the ultimate controlling shareholder first obtained control. Therefore, the opening balances and the comparative figures of the interim condensed consolidated financial information of the Group as at 31 December 2022 and for the six-month period ended 30 June 2022 have been restated.

On 28 June 2023, Tongyu Gaodengsai Electric Power Co., Ltd. (“Tongyu Gaodengsai”) an indirect owned subsidiary of the Company, entered into an equity transfer agreement with Qingdao Chengtai Green Energy Co., Ltd. (“Chengtai Green Energy”), pursuant to which Chengtai Green Energy acquired 100% equity interests in Tongyu Qiangfeng Power Co., Ltd., an indirect wholly owned subsidiary of Tongyu Gaodengsai at cash consideration of RMB67,000,000. At the date of disposal of 28 June 2023, the total assets and net assets of Tongyu Qiangfeng Power Co., Ltd. were RMB840,201,000 and RMB51,096,000 respectively. The Group derived a gain of RMB15,904,000 from the disposal, which was recorded in “Other gains – net”.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings for the financial year.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not make retrospective adjustments as a result of adopting these standards.

| Standards and amendments | Key requirements | Effective for annual periods beginning on or after |
|--|--|---|
| IFRS 17 | Insurance contracts | 1 January 2023 |
| IAS 8 (Amendments) | Definition of Accounting Estimates | 1 January 2023 |
| IAS 12 (Amendments) | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| IAS 1 and IFRS Practice Statement 2 (Amendments) | Disclosure of Accounting Policies | 1 January 2023 |

(b) New or amended standards not yet effective

The following new or amended accounting standards have been issued but are not effective for the financial year beginning on 1 January 2022 and have not been early adopted by the Group:

| Standards and amendments | Key requirements | Effective for annual periods beginning on or after |
|---------------------------------|---|---|
| IAS 1 (Amendments) | Classification of Liabilities as Current or Non-current | 1 January 2024 |
| IAS 1 (Amendments) | Non-current liabilities with covenants | 1 January 2024 |
| IFRS 16 (Amendments) | Lease liability in sale and leaseback | 1 January 2024 |
| IFRS 7 and IAS 7 (Amendments) | Supplier Finance Arrangements | 1 January 2024 |
| IFRS 10 and IAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

4. SEGMENT INFORMATION

The Board of Directors of the Group has been identified as the chief operating decision-maker. The Board of Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these internal reports.

The Board of Directors assesses the performance according to four main business segments.

The board of directors assesses the performance of the operating segments based on profit for the year.

Segment revenue

The segment results for the six months ended 30 June 2023 and 2022 are as follows:

| | Six months ended 30 June 2023 (Unaudited) | | | | | The Group RMB'000 |
|--|--|--------------------------------|-----------------------------------|-------------------|------------------------|----------------------|
| | Construction services RMB'000 | Sale of products RMB'000 | Sale of electricity RMB'000 | Others RMB'000 | Elimination RMB'000 | |
| Revenue from contracts with customers: | | | | | | |
| – Recognised at a point of time | – | 948,821 | 388,998 | 17,423 | – | 1,355,242 |
| – Recognised over time | 840,521 | – | – | 35,928 | – | 876,449 |
| Total revenue from external customers | 840,521 | 948,821 | 388,998 | 53,351 | – | 2,231,691 |
| Inter-segment revenue | – | 413,948 | – | 14,398 | (428,346) | – |
| Segment revenue | 840,521 | 1,362,769 | 388,998 | 67,749 | (428,346) | 2,231,691 |
| Gross profit | 64,353 | 180,115 | 227,685 | 33,538 | (1,908) | 503,783 |
| | Six months ended 30 June 2022 (Unaudited and restated) | | | | | |
| | Construction services RMB'000 | Sale of products RMB'000 | Sale of electricity RMB'000 | Others RMB'000 | Elimination RMB'000 | The Group RMB'000 |
| Revenue from contracts with customers: | | | | | | |
| – Recognised at a point of time | – | 317,135 | 341,700 | 144,958 | – | 803,793 |
| – Recognised over time | 2,259,600 | – | – | 22,512 | – | 2,282,112 |
| Total revenue from external customers | 2,259,600 | 317,135 | 341,700 | 167,470 | – | 3,085,905 |
| Inter-segment revenue | 72,436 | 163,868 | – | – | (236,304) | – |
| Segment revenue | 2,332,036 | 481,003 | 341,700 | 167,470 | (236,304) | 3,085,905 |
| Gross profit | 377,040 | 46,636 | 208,598 | 31,813 | (24,594) | 639,493 |

5. INCOME TAX EXPENSE

The applicable corporate income tax (“CIT”) rate for Mainland China subsidiaries is 25% except for certain subsidiaries that are entitled to preferential tax rates as discussed below:

For Mainland China subsidiaries which are qualified as High and New Technology Enterprises, they are entitled to a preferential tax rate of 15%. For subsidiaries engaging in encouraged industries in Western China, they are entitled to a preferential tax rate of 15% for the period from 1 January 2011 to 31 December 2030. For subsidiaries engaging in the approved projects of solar power station construction, they are exempted from CIT for the first three years and are entitled to a 50% tax reduction for the subsequent three years (“三免三減半”) since their respective first revenue-generating years, thereafter, they are subject to CIT at a rate of 25% or 15%.

The Group’s subsidiaries registered in Hong Kong are subject to a rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the six months ended 30 June 2023.

The major components of income tax expense for the reporting period are as follows:

| | Six months ended 30 June | |
|----------------------------|--------------------------|-----------------------------|
| | 2023 | 2022 |
| | <i>RMB’000</i> | <i>RMB’000</i> |
| | (Unaudited) | (Unaudited and restated) |
| Current income tax | 39,967 | 45,834 |
| Deferred income tax credit | <u>(20,705)</u> | <u>(6,199)</u> |
| Income tax charge | <u>19,262</u> | <u>39,635</u> |

6. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the Period attributable to owners of the Company, and the weighted average number of ordinary shares of 2,521,081,780 (2022: 2,521,081,780) in issue during the Period.

No adjustment has been made to the basic earnings per share amounts presented for the Period and the six months ended 30 June 2022 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices of the Company's shares during the Period and the six months ended 30 June 2022.

| | Six months ended 30 June | |
|--|---------------------------------|-----------------------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited and restated) |
| Profit attributable to equity holders of the Company | 23,835 | 139,896 |
| Weighted average number of ordinary shares issued | 2,521,082 | 2,521,082 |
| Basic earnings per share | <u>RMB0.009</u> | <u>RMB0.055</u> |

7. DIVIDENDS

No interim dividend was proposed by the Directors in respect of the Period (2022: nil).

8. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date, is as follows:

| | Trade receivables | | Tariff subsidy receivables | |
|----------------------|--------------------------|------------------|-----------------------------------|------------------|
| | 30 June | 31 December | 30 June | 31 December |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Restated) | (Unaudited) | (Restated) |
| Within 180 days | 887,361 | 912,959 | 231,656 | 280,792 |
| 181 days to 365 days | 462,883 | 891,784 | 280,792 | 221,037 |
| 1 to 2 years | 1,252,063 | 531,026 | 378,943 | 376,488 |
| 2 to 3 years | 241,433 | 410,608 | 349,909 | 211,552 |
| Over 3 years | 1,533,444 | 1,360,004 | 283,248 | 203,023 |
| | <u>4,377,184</u> | <u>4,106,381</u> | <u>1,524,548</u> | <u>1,292,892</u> |

9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

| | As at 30 June 2023 <i>RMB'000</i> (Unaudited) | As at 31 December 2022 <i>RMB'000</i> (Restated) |
|-------------------------------|--|---|
| Within 3 months | 706,416 | 859,359 |
| Between 3 months and 6 months | 277,801 | 229,749 |
| Between 6 months and 1 year | 914,638 | 1,159,054 |
| Between 1 year and 2 years | 1,079,635 | 643,973 |
| Between 2 years and 3 years | 248,520 | 118,945 |
| Over 3 years | 122,672 | 91,182 |
| | <u><u>3,349,682</u></u> | <u><u>3,102,262</u></u> |

10. SHARE CAPITAL

| | As at 30 June 2023 <i>'000</i> (Unaudited) | As at 31 December 2022 <i>'000</i> (Restated) |
|--|---|--|
| Authorised: 3,200,000,000 ordinary shares of US\$0.01 each | <u><u>USD32,000</u></u> | <u><u>USD32,000</u></u> |
| Issued and fully paid: 2,521,081,780 ordinary shares of US\$0.01 each | <u><u>USD25,211</u></u> | <u><u>USD25,211</u></u> |
| Equivalent to RMB | <u><u>RMB174,333</u></u> | <u><u>RMB174,333</u></u> |

There was no movement in the Company's issued share capital during the Period.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

| | For the six months ended 30 June | | |
|-----------------------------------|-------------------------------------|---|-----------------------------|
| | 2023 | 2022 | Increase/ (Decreased) by |
| | <i>RMB million</i> (unaudited) | <i>RMB million</i> (unaudited and restated) | |
| Construction contracts | | | |
| – Curtain wall and green building | 487.2 | 607.7 | (120.5) |
| – Solar EPC | 353.3 | 103.1 | 250.2 |
| – Wind Power EPC | – | 1,548.8 | (1,548.8) |
| | <u>840.5</u> | <u>2,259.6</u> | <u>(1,419.1)</u> |
| Sale of electricity | 389.0 | 341.7 | 47.3 |
| Sale of products ¹ | 948.8 | 317.1 | 631.7 |
| Others | 53.4 | 167.5 | (114.1) |
| | <u>53.4</u> | <u>167.5</u> | <u>(114.1)</u> |
| Revenue | <u><u>2,231.7</u></u> | <u><u>3,085.9</u></u> | <u>(854.2)</u> |

Notes:

1. Included Sale of New Material as at 30 June 2023 of RMB33.57 million (30 June 2022: RMB44.78 million).

| Gross profit and gross profit margin | For the six months ended 30 June | | | |
|--|-----------------------------------|------|--|------|
| | 2023 | | 2022 | |
| | <i>RMB million</i> (unaudited) | % | <i>RMB million</i> (unaudited and restated) | % |
| Construction contracts | | | | |
| – Curtain wall and green building | 32.8 | 6.7 | 68.1 | 11.2 |
| – Solar EPC | 31.6 | 8.9 | 3.9 | 3.8 |
| – Wind Power EPC | <u>–</u> | – | <u>296.0</u> | 19.1 |
| | 64.4 | 7.7 | 368.0 | 16.3 |
| Sale of electricity | 226.2 | 58.1 | 208.9 | 61.1 |
| Sale of products ¹ | 179.6 | 18.9 | 31.1 | 9.8 |
| Others | <u>33.6</u> | 63.1 | <u>31.5</u> | 18.8 |
| Total gross profit and gross profit margin | <u>503.8</u> | 22.6 | <u>639.5</u> | 20.7 |

Notes:

- Included the gross profit and gross profit margin of sale of New Material as at 30 June 2023 with RMB7.88 million and 23.5% (30 June 2022: gross profit RMB6.78 million and gross profit margin 15.1%).

The Group's revenue decreased by RMB854 million or 27.7%, from RMB3,086 million in first half 2022 to RMB2,232 million in first half 2023. Gross profit decreased by RMB135 million or 21.2%, from RMB639 million in first half 2022 to RMB504 million in first half 2023.

1) *Curtain wall and green building*

Revenue from curtain wall and green building EPC dropped by 19.8%, while gross profit margin decreased from 11.2% to 6.7%. The major reason for the decrease in gross profit margin was because of the decrease in the proportion of green building business.

2) *Solar EPC*

Revenue from Solar EPC business increased by 2.4 times, while gross profit margin increased from 3.8% to 8.9%. The material costs for solar EPC dropped slightly in first half 2023. As such, the profitability of Solar EPC business had improved.

3) *Wind Power EPC*

During the first half 2022, our Group was mainly involved in few large scale projects in North East part of China, which have completed in 2022. In first half 2023, no new project for wind power EPC have been incurred.

4) *Sale of electricity*

The Group's accumulated project scale was over 700 megawatts ("MW") at 30 June 2023, which comprised of distributed power stations, and centralized ground-mounted photovoltaic power stations inside Mainland China and a solar farm located overseas. The sale of electricity was increased by 13.8% with a stable margin of 58.1% (2022 first half: 61.1%).

5) *Sale of products*

Revenue from the sale of products mainly included the sale of renewable energy products such as wind power and photovoltaic project supporting products and solar thermal products. The increase the revenue from sale of products was mainly came from the recovery in solar power business.

Other income and gains

Other income and gains during the period ended 30 June 2023 mainly represented government grants and deferred income released to the profit and loss. The other income and gains during the Period slightly increased when comparing with the same period last year.

Distribution costs

During the period, distribution costs decreased by RMB10.18 million or 32.2%, as compared to the six months ended 30 June 2022, which is in line with the decrease in revenue.

Administrative expenses

Administrative expenses decreased by RMB13.45 million or 7.9%, as compared to the six months ended 30 June 2022. The decrease was mainly because of various cost saving policies imposed by the Group.

Liquidity and financial resources

The Group's primary source of funding included bank and other borrowings, advances from Shuifa Group and receivables from project contracts, product sale as well as income from electricity sale. As at 30 June 2023, the Group had outstanding bank and other loans of approximately RMB7,853 million and outstanding bonds of approximately RMB178 million.

Apart from that, the Group also had outstanding balance of approximately RMB206 million due to Shuifa Group, which bear interest at 6% per annum.

Capital Expenditures

Capital expenditures of the Group amounted to RMB425 million for the Period (six months ended 30 June 2022: RMB299 million) and were mainly for the investment and construction of the self-invested solar farms.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB7,853 million with effective interest rates ranging from 5.15% to 6.45%.

Events after the Reporting Period

The Group did not have any material subsequent events after the Reporting Period.

COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

| | As at 30 June 2023 <i>RMB'000</i> (Unaudited) | As at 31 December 2022 <i>RMB'000</i> (Restated) |
|--|---|--|
| Contracted, but not provided for: | | |
| Capital contribution for equity investment | 889,461 | 995,074 |
| Construction of buildings and solar photovoltaic power stations | <u>48,686</u> | <u>171,512</u> |
| | <u><u>938,147</u></u> | <u><u>1,116,586</u></u> |

DIVIDEND

The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited for the Period and up to the date of this announcement.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the Period.

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph D.3 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, and Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee. The Group's interim results announcement for the Period has been reviewed by the Audit Committee.

PURCHASE, SALE AND REDEMPTION OF COMPANY'S LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the Period.

AMENDMENTS TO BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

At the annual general meeting of the Company held on 28 June 2023, the proposed amendments to the bye-laws of the Company by way of the adoption of the amend and restated bye-laws of the Company was approved by the shareholders of the Company by way of a special resolution.

PUBLICATION OF RESULTS ANNOUNCEMENT

This interim results announcement is available for viewing on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at <http://www.hkexnews.hk> and the Company's website at www.sfsyenergy.com and the 2023 interim report of the Company containing all the information required under the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 29 August 2023

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 Ms. Li Li, and the independent non-executive Directors are Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei.