

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



有限公司  
RED SUN CAPITAL LIMITED

*For identification purposes only*

---

**CONTENTS**

---

*Pages*

<b>DEFINITIONS</b> .....	
<b>LETTER FROM THE BOARD</b> .....	
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	
<b>LETTER FROM RED SUN CAPITAL</b> .....	
<b>APPENDIX I — VALUATION REPORT</b> .....	
<b>APPENDIX II — LETTERS FROM THE REPORTING ACCOUNTANTS AND THE BOARD</b> .....	
<b>APPENDIX III — GENERAL INFORMATION</b> .....	
<b>NOTICE OF SGM</b> .....	

---

## DEFINITIONS

---

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

\$

源集團有限公司 中國水發興業能

質有限公司 華潤融資租

---

## DEFINITIONS

---

§

南臨化投資合夥企業(有限合夥)

濟

淄博臨熱新能源有限公司

淄博魯銀塑化有限公司



---

## DEFINITIONS

---

	水發能源集團有限公司
會	山東省國有資產監督管理委員
	水發集團有限公司
電廠有限公司	淄博市臨淄熱
化學工業區熱力有限公司	淄博齊魯
清潔能源科技有限公司	山東水發

*In this circular, if there is any inconsistency between the Chinese names of entities or enterprises established in the PRC or Chinese government authorities or departments and their English translations, the Chinese names shall prevail.*

*Unless otherwise specified in this circular, translations of RMB into HK\$ are made in this circular, for illustration only, at the rate of HK\$1.0 = RMB0.9. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate.*



China Shu





---

## LETTER FROM THE BOARD

---

### Consideration

----- \$

Instalment	Amount <i>(RMB)</i>	Due date
------------	------------------------	----------

**Accountants**

**Letter from the Reporting**

**Conditions Precedent**

Conditions precedent of the Vendor ("Vendor CPs")

[Faint, illegible text describing Vendor CPs]

Conditions precedent of the Purchaser ("Purchaser CPs")

[Faint, illegible text describing Purchaser CPs]

---

## LETTER FROM THE BOARD

---

Dear Shareholders,

I am pleased to present to you the financial statements of the Company for the year ended 31st March 2023. The Company has achieved a steady growth in its operations and has maintained a strong financial position throughout the year. The Board of Directors has reviewed the financial statements and is satisfied with the performance of the Company.

The financial statements show that the Company has achieved a net profit of ₹ 1,00,00,000 for the year ended 31st March 2023. This is an increase of 10% over the net profit of ₹ 90,00,000 for the year ended 31st March 2022. The increase in net profit is primarily due to the increase in sales and the reduction in expenses.

The Company has also achieved a significant increase in its revenue, which has risen from ₹ 1,00,00,000 in the year ended 31st March 2022 to ₹ 1,10,00,000 in the year ended 31st March 2023. This increase in revenue is primarily due to the increase in sales and the expansion of the Company's operations.

The Company has also maintained a strong financial position throughout the year. The total assets of the Company have increased from ₹ 2,00,00,000 at the end of the year ended 31st March 2022 to ₹ 2,10,00,000 at the end of the year ended 31st March 2023. This increase in assets is primarily due to the increase in revenue and the reduction in expenses.

The Board of Directors has also reviewed the financial statements of the Company's subsidiaries and has found them to be satisfactory. The Company has also achieved a steady growth in its operations and has maintained a strong financial position throughout the year.

I am confident that the Company's strong performance and financial position will continue to drive its growth and success in the future. I thank you for your continued support and confidence in the Company.

Yours faithfully,  
The Chairman of the Board

### Assignment of Rights, Profit Undertaking and Put Option

The Board of Directors has resolved to assign the rights of the Company to the shareholders of the Company. The Board has also resolved to undertake a profit undertaking and a put option in favour of the shareholders of the Company.

The Board has also resolved to assign the rights of the Company to the shareholders of the Company. The Board has also resolved to undertake a profit undertaking and a put option in favour of the shareholders of the Company.

The Board has also resolved to assign the rights of the Company to the shareholders of the Company. The Board has also resolved to undertake a profit undertaking and a put option in favour of the shareholders of the Company.

The Board has also resolved to assign the rights of the Company to the shareholders of the Company. The Board has also resolved to undertake a profit undertaking and a put option in favour of the shareholders of the Company.

The Board has also resolved to assign the rights of the Company to the shareholders of the Company. The Board has also resolved to undertake a profit undertaking and a put option in favour of the shareholders of the Company.

---

## LETTER FROM THE BOARD

---

### Shortfall

### Three-Year

### Completion

---

## LETTER FROM THE BOARD

---

SHA

FINANCIAL EFFECTS OF THE ACQUISITION

INFORMATION ON THE VENDOR

山東省國有資產監督管理委員會  
山東省社會保障基金理事會

## INFORMATION ON THE TARGET COMPANY

**Park**

會

中國石油和化學工業聯合

---

## LETTER FROM THE BOARD

---

The Board of Directors of the University of California, Berkeley, is pleased to announce the appointment of [Name] as the [Title] of the [Department/Center]. [Name] is a distinguished scholar in the field of [Field] and has made significant contributions to the field through their research and teaching. [Name] will be joining the faculty at the University of California, Berkeley, in [Month/Year].

[Name] received their Ph.D. from [University] in [Year] and has since held positions at [University] and [University]. [Name] is currently a [Title] at [University] and has published numerous articles and books in the field of [Field]. [Name] is also a member of the [Organization] and has served on the [Committee].

[Name] is a highly motivated and dedicated professional who is committed to excellence in their work. [Name] is a strong leader and team player who is committed to the success of the University of California, Berkeley. [Name] is a role model for students and faculty alike and is a valuable asset to the University.

The Board of Directors is confident that [Name] will bring a wealth of knowledge and experience to the University of California, Berkeley. [Name] is a highly qualified and accomplished professional who is committed to the highest standards of excellence. [Name] is a strong leader and team player who is committed to the success of the University.

The Board of Directors is pleased to announce the appointment of [Name] as the [Title] of the [Department/Center]. [Name] is a distinguished scholar in the field of [Field] and has made significant contributions to the field through their research and teaching. [Name] will be joining the faculty at the University of California, Berkeley, in [Month/Year].

[Name] received their Ph.D. from [University] in [Year] and has since held positions at [University] and [University]. [Name] is currently a [Title] at [University] and has published numerous articles and books in the field of [Field]. [Name] is also a member of the [Organization] and has served on the [Committee].

[Name] is a highly motivated and dedicated professional who is committed to excellence in their work. [Name] is a strong leader and team player who is committed to the success of the University of California, Berkeley. [Name] is a role model for students and faculty alike and is a valuable asset to the University.

The Board of Directors is confident that [Name] will bring a wealth of knowledge and experience to the University of California, Berkeley. [Name] is a highly qualified and accomplished professional who is committed to the highest standards of excellence. [Name] is a strong leader and team player who is committed to the success of the University.

---

LETTER FROM THE BOARD

---

The Board of Directors is pleased to present the financial statements of the Company for the six months ended 30 June 2020 and for the financial year ended 31 December 2019 and 2018. The financial statements have been prepared in accordance with the applicable accounting standards in the PRC. The Company has adopted the PRC GAAP for the preparation of the financial statements. The financial statements are presented in Chinese and English. In the event of any discrepancy, the Chinese version shall prevail.

The Board of Directors is pleased to present the financial statements of the Company for the six months ended 30 June 2020 and for the financial year ended 31 December 2019 and 2018. The financial statements have been prepared in accordance with the applicable accounting standards in the PRC. The Company has adopted the PRC GAAP for the preparation of the financial statements. The financial statements are presented in Chinese and English. In the event of any discrepancy, the Chinese version shall prevail.

PRC GAAP

<b>For the six months ended</b>	<b>For the financial year ended</b>	
<b>30 June</b>	<b>31 December</b>	<b>31 December</b>
<b>2020</b>	<b>2019</b>	<b>2018</b>
<i>unaudited</i>	<i>audited</i>	<i>audited</i>
<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
-	-	-
-	-	-



---

## LETTER FROM THE BOARD

---

*Note:*

### **INFORMATION ON THE PURCHASER AND THE REASONS FOR AND BENEFITS OF THE ACQUISITION**

---

## LETTER FROM THE BOARD

---

### LISTING RULES IMPLICATIONS

## SGM

1. The first part of the document is a list of the names of the members of the committee.

---

## LETTER FROM THE BOARD

---

### FURTHER INFORMATION

Shareholders and potential investors should note that completion of the Acquisition is subject to the satisfaction of the conditions precedent set out in the Sale and Purchase Agreement and may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

**China Shuifa Singyes Energy Holdings Limited**  
**Mr. Zheng Qingtao**  
*Chairman*

ng  
mme

r of

水发

---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---

**China Shuifa Singyes Energy Holdings Limited**

**Dr. Wang Ching**  
*Independent Non-executive Director*

**Mr. Yick Wing Fat, Simon**  
*Independent Non-executive Director*

**Dr. Tan Hongwei**  
*Independent Non-executive Director*



---

## LETTER FROM RED SUN CAPITAL

---

### II. THE INDEPENDENT BOARD COMMITTEE

[The text in this section is extremely faint and illegible. It appears to be a multi-paragraph letter discussing the formation and role of an independent board committee.]

### III. OUR INDEPENDENCE

[The text in this section is extremely faint and illegible. It appears to be a multi-paragraph letter discussing the independence of the committee.]



---

## LETTER FROM RED SUN CAPITAL

---

### IV. BASIS OF OUR ADVICE

#### Management -

---

## LETTER FROM RED SUN CAPITAL

---

### V. PRINCIPAL FACTORS AND REASONS CONSIDERED

#### 1. Information of the Group

##### 1.1 Background of the Group and the Purchaser

---

## LETTER FROM RED SUN CAPITAL

---

### 1.2 Financial information of the Group

	<b>2019 Annual Report</b>		<b>2020</b>	
			<b>Interim Results Announcement</b>	
	<b>For the year ended 31 December</b>		<b>For the six months ended 30 June</b>	
	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
<b>Revenue</b>	<b>4,416,563</b>	<b>3,306,519</b>	<b>1,148,380</b>	<b>1,979,730</b>
<b>Gross profit/(loss)</b>	<b>620,901</b>	<b>28,270</b>	<b>(61,144)</b>	<b>242,224</b>
<b>Profit/(loss) attributable to owners of the Company</b>	<b>(678,801)</b>	<b>(995,228)</b>	<b>(468,024)</b>	<b>217,580</b>

For the six months ended 30 June 2020 compared to the six months ended 30 June 2019

For the year ended 31 December 2019 compared to the year ended 31 December 2018

	2019	2018
Revenue	1,234,567	1,123,456
Cost of sales	(567,890)	(543,210)
Gross profit	666,677	580,246
Operating expenses	(234,567)	(212,345)
Operating profit	432,110	367,901
Finance income	12,345	10,234
Finance expense	(8,765)	(7,654)
Profit before tax	435,690	370,481
Income tax expense	(87,138)	(74,096)
Profit after tax	348,552	296,385
Other comprehensive income	10,234	12,345
Profit for the year	358,786	308,730

**2. Overview of the economy and heat supply market in PRC**

NBS						
五規劃		十三				
		2015	2016	2017	2018	2019
<i>(in millions)</i>		-	-	-	-	-
<i>(in millions)</i>		-	-	-	-	-
<i>(%)</i>		-	-	-	-	-

*Source: NBS*

---

**LETTER FROM RED SUN CAPITAL**

---

**3. Information of the Target Company**

	<b>Park</b>		<b>PRC</b>	
	<b>GAAP</b>	<b>IFRS</b>	<b>GAAP</b>	<b>IFRS</b>
	<b>For the six months ended 30 June 2020 (unaudited) RMB</b>	<b>For the six months ended 30 June 2019 (unaudited) RMB</b>	<b>For the financial year ended 31 December 2019 (audited) RMB</b>	<b>For the financial year ended 31 December 2018 <sup>(Note)</sup> (audited) RMB</b>
Operating loss	-	-	-	-
Net loss	-	-	-	-

*Note: The losses for the year ended 31 December 2018 were mainly attributable to expenses of staff hired incurred in anticipation of the acquisition of the pipeline network engaging in steam distribution operations.*

**4. Reasons for and benefits of the Acquisition**

---

## LETTER FROM RED SUN CAPITAL

---

### 5. Principal terms of the Sale and Purchase Agreement

i. Date

ii. Parties:

湖南興業綠色能源股份有限公司

源科技有限公司

山東水發清潔能

業區熱力有限公司

淄博齊魯化學工

iii. Subject Matter





---

## LETTER FROM RED SUN CAPITAL

---

### vi. Assignment of Rights, Profit Undertaking and Put Option

#### Three-Year Shortfall

---

## LETTER FROM RED SUN CAPITAL

---

### vii. Completion

### viii. SHA

**6. Assessment of the consideration**

The consideration for the acquisition of the target is valued at approximately 100 million USD. The valuation is based on the target's financial performance, market position, and growth prospects. The target is a leading player in the market, with a strong track record of growth and profitability. The valuation is supported by a detailed financial model and a sensitivity analysis. The target's market position is strong, with a high level of brand recognition and a loyal customer base. The target's growth prospects are bright, with a clear path to expansion into new markets and product lines. The target's financial performance is strong, with a consistent record of revenue growth and profitability. The target's market position is strong, with a high level of brand recognition and a loyal customer base. The target's growth prospects are bright, with a clear path to expansion into new markets and product lines. The target's financial performance is strong, with a consistent record of revenue growth and profitability.

**Valuation assumption and methodology**

The valuation is based on the target's financial performance, market position, and growth prospects. The target is a leading player in the market, with a strong track record of growth and profitability. The valuation is supported by a detailed financial model and a sensitivity analysis. The target's market position is strong, with a high level of brand recognition and a loyal customer base. The target's growth prospects are bright, with a clear path to expansion into new markets and product lines. The target's financial performance is strong, with a consistent record of revenue growth and profitability.

**Valuation**

The valuation is based on the target's financial performance, market position, and growth prospects. The target is a leading player in the market, with a strong track record of growth and profitability. The valuation is supported by a detailed financial model and a sensitivity analysis. The target's market position is strong, with a high level of brand recognition and a loyal customer base. The target's growth prospects are bright, with a clear path to expansion into new markets and product lines. The target's financial performance is strong, with a consistent record of revenue growth and profitability.

Discount rate

WACC

---

# LETTER FROM RED SUN CAPITAL

---

Cash flow projection

## Cash Flow Projection

《城鎮供熱管網設計規範》

Contract

Steam Supply

Average Selling Price Schedule



---

## LETTER FROM RED SUN CAPITAL

---

### Marketability discount

**MD**

### Other assumptions



《「十三五」時期稅務系統全面推進依法治稅工作  
規劃》

*Alternative assessment*

**Initial Criteria**

**Final Criteria**

---

**LETTER FROM RED SUN CAPITAL**

---

**Comparable Companies -**

**P/B**

**P/E**

<b>Stock code</b>	<b>Name of company</b>	<b>Principal business</b>	<b>P/B ratio (Note 1) times</b>
-------------------	------------------------	---------------------------	---

Stock code	Name of company	Principal business	P/B ratio (Note 1) times
------------	-----------------	--------------------	--------------------------------

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

---

## LETTER FROM RED SUN CAPITAL

---

### VI. OPINION AND RECOMMENDATION

Red Sun Capital has reviewed the financial statements of the Company and the related information provided in this offering memorandum. Red Sun Capital has not conducted an independent audit of the Company's financial statements. Red Sun Capital's review is limited to a review of the financial statements and related information provided in this offering memorandum. Red Sun Capital has not conducted an independent audit of the Company's financial statements. Red Sun Capital's review is limited to a review of the financial statements and related information provided in this offering memorandum.

---

**LETTER FROM RED SUN CAPITAL**

---

**Red Sun Capital Limited**  
**Jimmy Chung**  
*Managing Director*

*Mr. Jimmy Chung is a Responsible Officer of Red Sun Capital to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and permitted to undertake work as sponsor. He has over 20 years of experience in corporate finance industry in Greater China.*

*For identification purposes only*

The following is extracted from the report prepared for the purpose of incorporation in this circular by Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 31 March 2020.



### China Shuifa Singyes Energy Holdings Limited

**Re: Valuation of 47.5% Equity Interest in 淄博齊魯化學工業區熱力有限公司**

**Company**

淄博齊魯化學工業區熱力有限公司

**Business Enterprise**

**Date of Valuation** -

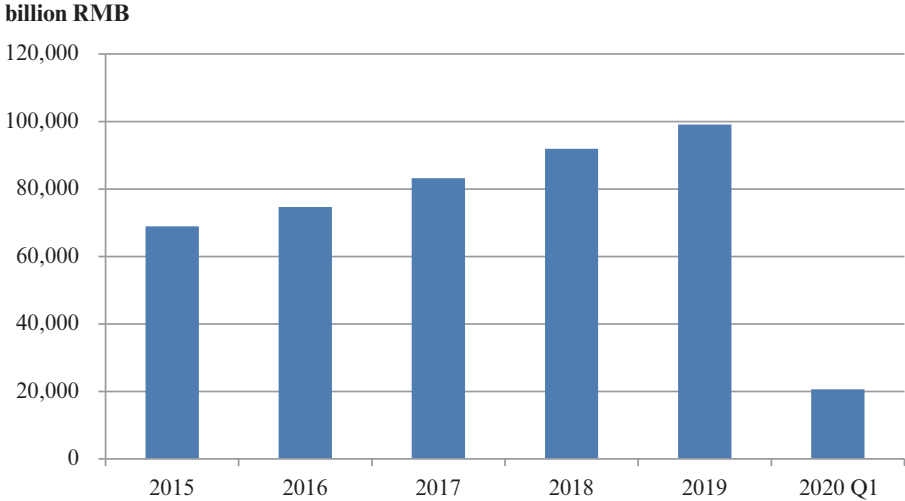
## 1. PURPOSE OF VALUATION

**Roma Appraisals**

## 2. SCOPE OF WORK

1. The work shall include the design, construction, and installation of the following:

Figure 1 — China’s Nominal GDP from 2015 to 2020 Q1



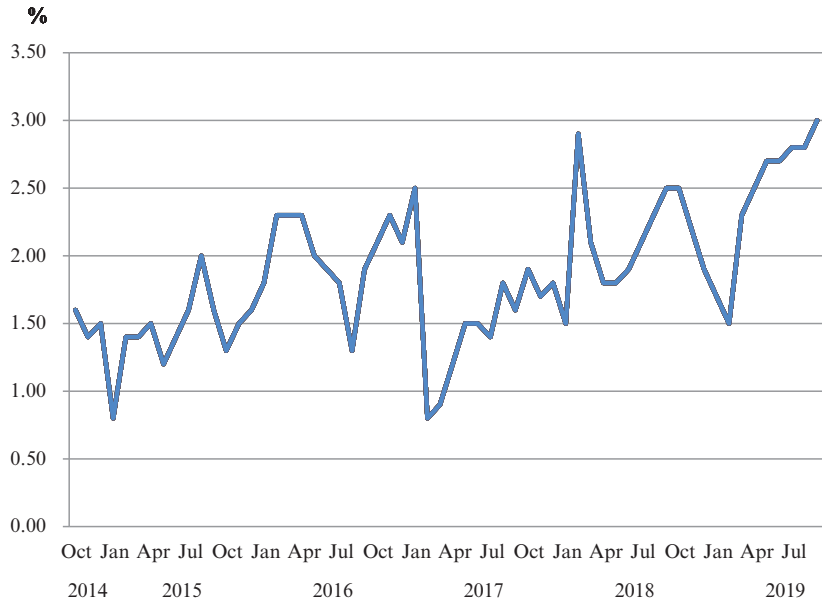
Source: National Bureau of Statistics of China

3.2 Inflation in China

CPI

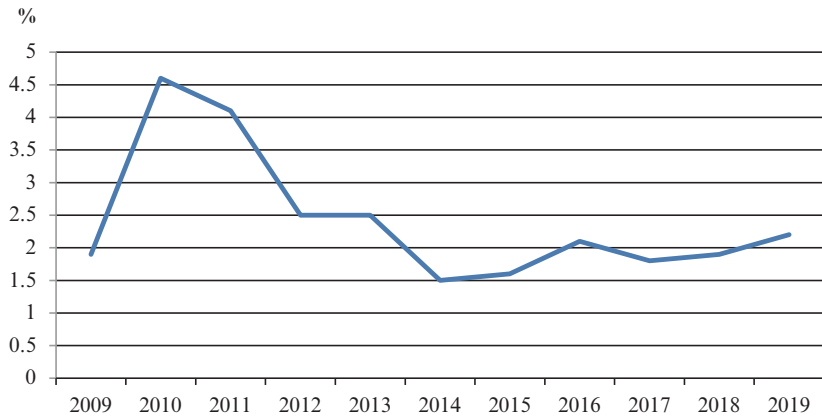


Figure 2 — Year-over-year Change in China’s CPI from October 2014 to December 2019



Source: Bloomberg

Figure 3 — China’s Inflation Rate from 2009 to 2019



Source: International Monetary Fund

## **4. INDUSTRY OVERVIEW**

### **4.1 Overview of Heating Supply Industry in China**

5. OVERVIEW OF THE BUSINESS ENTERPRISE

廠有限公司

Steam Supply Contract  
電廠

淄博市臨淄熱電

熱電廠

熱電廠

廠

熱電

6. BASIS OF VALUATION

market value

7. INVESTIGATION

The following table provides a summary of the key findings of the valuation analysis. The table is organized into two main sections: "Key Findings" and "Recommendations". The "Key Findings" section includes a table with columns for "Finding", "Impact", and "Mitigation Strategy". The "Recommendations" section includes a table with columns for "Recommendation", "Priority", and "Responsible Party".

- The company's revenue growth has exceeded expectations over the past three years.
- The company's operating margins are consistently higher than those of its peers.
- The company's market share is increasing, indicating a strong competitive position.
- The company's customer retention rate is high, suggesting a loyal customer base.
- The company's debt-to-equity ratio is low, indicating a strong financial position.
- The company's management team is experienced and has a proven track record.
- The company's technology is innovative and provides a competitive advantage.

## **8. VALUATION METHODOLOGY**

The valuation methodology used in this report is based on a combination of market-based and asset-based approaches. The market-based approach involves comparing the company's value to that of similar companies in the market. The asset-based approach involves calculating the value of the company's assets, including its tangible and intangible assets.

### **8.1 Market-Based Approach**

The market-based approach involves comparing the company's value to that of similar companies in the market. This approach is based on the principle of market value, which is the price that a willing buyer would pay for a company in an arm's length transaction. The market-based approach is the most commonly used method for valuing companies, and it is particularly useful for companies that are publicly traded or have a large number of comparable companies in the market.

## 8.2 Income-Based Approach

The income-based approach to valuation is based on the principle that the value of a business is determined by the present value of the future cash flows it is expected to generate. This approach is particularly useful for businesses that have a predictable and stable cash flow. The most common method used in this approach is the discounted cash flow (DCF) method. In a DCF analysis, the expected cash flows for each year are estimated and then discounted back to their present value using a discount rate that reflects the risk of the investment. The sum of these present values is the value of the business. The income-based approach is also used to value businesses that are not yet profitable but are expected to become profitable in the future. In this case, the cash flows are estimated based on the expected revenue and expenses of the business.

## 8.3 Asset-Based Approach

The asset-based approach to valuation is based on the principle that the value of a business is determined by the value of its assets. This approach is particularly useful for businesses that have a large amount of tangible assets, such as real estate, equipment, and inventory. The most common method used in this approach is the adjusted book value method. In this method, the book value of the business is adjusted for changes in the value of its assets and liabilities. For example, if the value of the business's real estate has increased since it was purchased, this increase would be added to the book value. Similarly, if the value of the business's equipment has decreased, this decrease would be subtracted from the book value. The adjusted book value is then used as the value of the business. The asset-based approach is also used to value businesses that have a large amount of intangible assets, such as patents, trademarks, and goodwill. In this case, the value of these assets is estimated and added to the book value of the business.

equity and long term debt -

## 8.4 Business Valuation

The business valuation process involves the application of the three approaches described above to determine the value of a business. The income-based approach is typically the most important, as it reflects the earning power of the business. The asset-based approach is used to provide a check on the income-based approach, as it provides a measure of the value of the business's assets. The market-based approach is used to provide a check on the other two approaches, as it provides a measure of the value of the business based on the prices of similar businesses in the market. The final value of the business is determined by averaging the values from the three approaches. The business valuation process is a complex one, and it is important to use a qualified professional to assist in the process. The business valuation process is a complex one, and it is important to use a qualified professional to assist in the process.

## 8.4.1 Discounted Cash Flow

### DCF

*In which*  
 $PVCF$  = Present value of the expected free cash flows;  
 $CF$  = Expected free cash flow;  
 $r$  = Discount rate; and  
 $n$  = Number of years.

### WACC

*In which*  
 $R_e$  = Cost of equity;  
 $R_d$  = Cost of debt;  
 $W_e$  = Weight of equity value to enterprise value;  
 $W_d$  = Weight of debt value to enterprise value; and  
 $T_c$  = Corporate tax rate.

## 8.4.2 Cost of Debt

8.4.3 Cost of Equity

**CAPM**

$$\beta \times$$

*In which*  
*R<sub>e</sub>* = Cost of equity;  
*R<sub>f</sub>* = Risk-free rate; and  
*β* = Beta coefficient.

8.4.4 Discount Rate

- 
- 
- 

Company Name	Stock Code	Listing Location	Business Description
--------------	------------	------------------	----------------------







8.4.5 Major Assumptions of Cash Flow Projection

8.4.5.1 Terms

蒸汽管網設計使用年限說明

廠	2021	2022	2023	2024	2025 to 2039
熱電廠					

8.4.5.2 Revenue and Cost

	2021	2022	2023	2024	2025 to 2039
熱電廠					
熱電廠					

Year	2021	2022	2023	2024	2025 to 2039
<b>Steam Supply Volume</b> ( '000 Ton)					
熱電廠					
熱電廠					

#### 8.4.5.3 Operating Expenses

Operating expenses are the costs incurred in the normal course of business operations. These expenses are typically categorized into fixed and variable costs. Fixed costs are those that do not change with the level of production, while variable costs are those that do. Operating expenses are a key component of a company's cost structure and are used to determine its operating profit.

#### 8.4.5.4 Depreciation Expenses

Depreciation expenses represent the cost of using fixed assets over their useful life. These expenses are calculated based on the asset's cost, its estimated useful life, and a depreciation method. Depreciation is a non-cash expense that reduces a company's taxable income and is used to determine its net income.

#### 8.4.5.5 Income Tax Expenses

Income tax expenses represent the amount of taxes paid by a company on its taxable income. These expenses are calculated based on the company's taxable income and the applicable tax rates. Income tax expenses are a key component of a company's cost structure and are used to determine its net income.

#### 8.4.5.6 Working Capital

Working capital represents the amount of capital required to support a company's day-to-day operations. It is calculated as the difference between a company's current assets and current liabilities. Working capital is a key indicator of a company's liquidity and is used to determine its ability to meet its short-term obligations.

#### 8.4.5.7 Capital Expenditure

Capital expenditures represent the costs incurred to acquire, improve, or dispose of long-term assets. These expenses are typically used to purchase property, plant, and equipment. Capital expenditures are a key component of a company's investment strategy and are used to determine its long-term growth potential.

### 8.5 Marketability Discount

The marketability discount is a discount applied to the value of a company's equity to reflect the fact that the equity is not publicly traded. This discount is typically applied to the value of the company's equity as determined by a valuation method. The marketability discount is a key component of a company's valuation and is used to determine its market value.

### 8.6 Summary of Business Enterprise Valuation

	As at 31 March 2020 RMB
100% Equity Interest of the Business Enterprise	497,014,865
100% Market Value of the Business Enterprise	<u>418,486,516</u>

### 9. MAJOR ASSUMPTIONS

- The valuation is based on the assumption that the business enterprise is a going concern.
- The valuation is based on the assumption that the business enterprise is operating in a stable economic environment.
- The valuation is based on the assumption that the business enterprise is operating in a stable market environment.
- The valuation is based on the assumption that the business enterprise is operating in a stable industry environment.
- The valuation is based on the assumption that the business enterprise is operating in a stable regulatory environment.
- The valuation is based on the assumption that the business enterprise is operating in a stable legal environment.

- 
- 
- 

## 10. INFORMATION REVIEWED

- 
- 熱電廠有限公司 淄博市淄
- 
- 
- 
- 
- 

## 11. LIMITING CONDITIONS

-

1. The first step in the valuation process is to identify the asset to be valued. This is done by reviewing the company's financial statements and identifying the asset's location and description. The next step is to determine the asset's fair market value. This is done by comparing the asset to similar assets that have been sold in the market. The final step is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

2. The second step in the valuation process is to determine the asset's fair market value. This is done by comparing the asset to similar assets that have been sold in the market. The final step is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

3. The third step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

4. The fourth step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

5. The fifth step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

6. The sixth step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

7. The seventh step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

8. The eighth step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

9. The ninth step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

10. The tenth step in the valuation process is to determine the asset's value for tax purposes. This is done by applying the appropriate tax rules to the asset's fair market value.

## 12. REMARKS

1. The property is located in a residential area and is surrounded by other residential properties. The property is in good condition and is well maintained. The property is a good investment opportunity and is suitable for long-term holding. The property is a good investment opportunity and is suitable for long-term holding.

## 13. OPINION OF VALUE

The property is valued at \$1,000,000.00. The property is a good investment opportunity and is suitable for long-term holding. The property is a good investment opportunity and is suitable for long-term holding.

*The following Part A is extracted from a letter from Ernst & Young to the Company dated 11 September 2020 reproduced below for the purposes of incorporation in this circular.*

**A. Letter from the Reporting Accountants**

**REPORT ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF ZIBO QILU CHEMICAL INDUSTRY ZONE THERMAL CO., LTD.**

	<b>Forecast</b>	
		<b>Target Company</b>
	<b>Company</b>	
<b>Announcement</b>		
		<b>Listing Rules</b>
<b>Directors' responsibilities</b>		
	<b>Directors</b>	<b>Assumptions</b>
<b>Our Independence and Quality Control</b>		
<i>Ethics for Professional Accountants</i>		<i>Code of</i>
<b>HKICPA</b>		
		<i>Quality Control for Firms</i>
		<i>that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related</i>
		<i>Services Engagements</i>



**Reporting Accountants' responsibilities**

*Assurance Engagements Other Than Audits or Reviews of  
Historical Financial Information*

**Opinion**

**Ernst & Young**  
*Certified Public Accountants*

**B. Confirmation letter from the Board**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
ACQUISITION OF 47.5% EQUITY INTEREST IN  
ZIBO QILU CHEMICAL  
INDUSTRY ZONE THERMAL CO., LTD.**

**Announcement**

**Valuation Report**

**Valuer**

淄博齊魯化學工業區熱力有限公司

**Target Company**

**China Shuifa Singyes Energy Holdings Limited**  
**Zheng Qingtao**  
*Chairman*

**1. RESPONSIBILITY STATEMENT****2. DISCLOSURE OF INTERESTS****Interest in the Company**

Directors' and chief executive's interests in the Company

**Model Code**

NAME	COMPANY/ NAME OF ASSOCIATED CORPORATION	CAPACITY	TYPE OF INTEREST	NUMBER OF SHARES	APPROXIMATE % OF SHAREHOLDING (NOTE 1)
------	--	----------	---------------------	---------------------	---

(Note 2)

Notes:

Substantial shareholders' and other persons' interests in the shares and underlying shares of the Company

NAME OF SHAREHOLDER	CAPACITY	LONG POSITION/ SHORT POSITION	NUMBER OF SHARES	APPROXIMATE % OF ISSUED SHARE CAPITAL OF THE COMPANY (NOTE 2)
(Note 1)				-
(Note 3)				-
(Notes 3 and 4)				-
(Notes 4 and 5)				-
(Notes 5 and 6)				-
(Notes 6 and 7)				-
華融置業有限責任公司 (Note 7 and 8)				-

NAME OF SHAREHOLDER	CAPACITY	LONG POSITION/ SHORT POSITION	NUMBER OF SHARES	APPROXIMATE % OF ISSUED SHARE CAPITAL OF THE COMPANY (NOTE 2)
華融資產管理股份有限公司 (Note 8)	中國			
水發能源集團有限公司 (Note 9 and 10)				
水發集團有限公司 (Note 10)				

Notes:

華融置業有限責任公司  
華融置業有限責任公司 **Huarong Real Estate**

華融資產管理股份有限公司 **China Huarong Asset Management** 中國

山東省國有資產監督管理委員會

### 3. DIRECTORS' SERVICE CONTRACTS

### 4. OTHER INTERESTS OF THE DIRECTORS

**5. COMPETING INTERESTS**

There are no competing interests of the Company or its directors, officers, or shareholders.

**6. OTHER INTEREST OF THE SHAREHOLDERS**

There are no other interests of the shareholders of the Company.

**7. MATERIAL ADVERSE CHANGES**

There are no material adverse changes in the financial condition of the Company.

**8. EXPERT'S QUALIFICATION AND CONSENT**

\_\_\_\_\_

**NAME****QUALIFICATION**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_







Life Science



---

## NOTICE OF SGM

---

*Notes:*

*As at the date of this notice, 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.*