
LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder.



China Shuifa Singyes New Materials Holdings Limited

中國水發興業新材料控股有限公司

(formerly known as China Singyes New Materials Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8073)

24 January 2025

To the Independent Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION PROVISION OF THE LOAN

We refer to the circular (the “**Circular**”) dated 24 January 2025 issued by the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

This independent board committee has been established to advise you on the Loan Agreement and the transactions contemplated thereunder, details of which are set out in the Circular. Donvex Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise us in these regards. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 15 to 34 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the nature of the Loan Agreement and the transactions contemplated thereunder and the advice of the Independent Financial Adviser in relation thereto, despite the Loan Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, we are of the opinion that the Loan Agreement and the transactions contemplated thereunder as a whole are on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Loan Agreement and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee

Ms. Pan Jianli

*Independent Non-executive
Director*

Mr. Zhang Yumo

*Independent Non-executive
Director*

Dr. Li Ling

*Independent Non-executive
Director*



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