China Singyes New Materials Holdings Limited
中國興業新材料控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8073)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the "Directors") of China Singyes New Materials Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board (the "Board") of Directors of the Company is pleased to announce the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 (the "Period").

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**36,798**	33,151
Loss before tax	**(408)**	(258)
Income tax expense	**(592)**	(938)
Loss for the period	**(1,000)**	(1,196)
Gross profit margin	**37.5%**	40.7%
Loss per share attributable to ordinary equity holders		
– Basic and diluted	**RMB(0.003)**	RMB(0.003)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		For the six months ended 30 June	
		2017	2016
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*3*	**36,798**	33,151
Cost of sales		**(22,982)**	(19,675)
Gross profit		**13,816**	13,476
Other income and gains		**124**	648
Selling and distribution expenses		**(4,991)**	(3,776)
Administrative expenses		**(8,854)**	(9,660)
Other expenses		**(503)**	(946)
LOSS BEFORE TAX	*4*	**(408)**	(258)
Income tax expense	*5*	**(592)**	(938)
LOSS FOR THE PERIOD		**(1,000)**	(1,196)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**219**	12
Total comprehensive loss for the period		**(781)**	(1,184)
Loss attributable to:			
Owners of the Company		**(1,000)**	(1,196)
Total comprehensive loss attributable to:			
Owners of the Company		**(781)**	(1,184)
Loss per share attributable to ordinary equity holders of the Company:			
– Basic and diluted	*6*	**RMB(0.003)**	RMB(0.003)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**36,841**	39,889
Payments in advance		**14**	16
Deferred tax assets		**724**	646
Total non-current assets		**37,579**	40,551
CURRENT ASSETS			
Inventories		**13,655**	11,896
Trade and bills receivables	*7*	**48,081**	60,073
Prepayments, deposits and other receivables	*8*	**8,914**	6,421
Pledged bank balances		**20**	20
Cash and cash equivalents		**16,405**	7,523
Total current assets		**87,075**	85,933
CURRENT LIABILITIES			
Trade payables	*9*	**19,900**	23,104
Other payables and accruals	*10*	**25,492**	21,948
Tax payable		**375**	1,801
Provisions for product warranties		**1,275**	1,192
Total current liabilities		**47,042**	48,045
NET CURRENT ASSETS		**40,033**	37,888
Total assets less current liabilities		**77,612**	78,439
NON-CURRENT LIABILITIES			
Deferred income		**766**	812
Net assets		**76,846**	77,627
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*11*	**1**	1
Reserves		**76,845**	77,626
Total equity		**76,846**	77,627

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended 30 June 2017

1. CORPORATE INFORMATION

China Singyes New Materials Holdings Limited ("the Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, 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 2017 (the "Period"), the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in sale and installation of Indium Tin Oxide ("ITO") film, and research and development, production, sale and installation of Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System in the People's Republic of China (the "PRC"). 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 parent company, the intermediate holding company and the ultimate holding company of the Company are Top Access Management Limited ("Top Access"), China Singyes Solar Technologies Holdings Limited ("Singyes Solar") and Strong Eagle Holdings Limited ("Strong Eagle"), respectively. Both Top Access and Strong Eagle were incorporated in the British Virgin Islands. Singyes Solar was incorporated in Bermuda.

The shares of the Company were listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 21 July 2017 ("the Listing") and the Group was spun off from Singyes Solar.

2 BASIS OF PREPARATION

The unaudited interim condensed financial information for the Period has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016.

3. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue represents the net invoiced value of goods, net of various types of government surcharges.

The Group's revenue and contribution to consolidated results are mainly derived from its sale and installation of ITO film, smart light-adjusting film, smart light-adjusting glass and smart light-adjusting projection system, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Information about major customers

Revenue from major customers, which individually amounted to 10% or more of the total revenue, is set out below:

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	–*	3,988
Customer B	–*	3,553
Customer C	–*	3,552
Customer D	–*	3,472

* Less than 10%.

Entity-wide disclosures

Information about products

The following table sets forth the total revenue derived from sales to external customers by product and the percentage of total revenue by product during the Period:

	For the six months ended 30 June			
	2017		2016	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
ITO film	**6,573**	**17.9**	6,536	19.7
Smart Light-adjusting Film	**9,221**	**25.1**	9,328	28.1
Smart Light-adjusting Glass	**12,014**	**32.6**	9,682	29.2
Smart Light-adjusting Projection System	**3,882**	**10.5**	5,288	16.0
Others	**5,108**	**13.9**	2,317	7.0
	36,798	**100.0**	33,151	100.0

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June			
	2017		2016	
	RMB'000	**%**	*RMB'000*	%
	(Unaudited)		(Unaudited)	
Domestic				
– Mainland China*	**34,910**	**94.9**	32,905	99.3
Others	**1,888**	**5.1**	246	0.7
	36,798	**100.0**	33,151	100.0

* The place of domicile of the Group's principal operating subsidiary is Mainland China. The principal revenues of the Group are generated in Mainland China.

(b) Non-current assets

The Group's non-current assets are all located in Mainland China.

4. LOSS BEFORE TAX

The Group's loss before tax was arrived at after charging:

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**22,982**	19,675
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**4,497**	3,899
Pension scheme contributions	**284**	179
	4,781	4,078
Depreciation	**2,786**	2,339
Research costs	**1,435**	904
Minimum lease payments under operating leases	**605**	570
Auditor's remuneration	**400**	–
Listing fees expensed off	**5,185**	6,188
Impairment loss on trade receivables	**482**	802
Foreign exchange loss/(gains)	**(3)**	86

5. INCOME TAX

The major components of income tax expense were as follows:

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the Period	**670**	915
Deferred	**(78)**	23
Total tax charge for the Period	**592**	938

Notes:

(a) Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in the Bermuda.

(b) The applicable corporate income tax ("CIT") rate for Hong Kong incorporated subsidiary was 16.5% during the Period and six months ended 30 June 2016. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Period and the six months ended 30 June 2016.

(c) The subsidiary located in Mainland China was entitled to a preferential CIT rate of 15% on the assessable profits generated during the Period as it was accredited as "High and New Technology Enterprise from 1 January 2015 to 31 December 2017.

6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss attributable to ordinary equity holders of the Company for the Period of RMB1,000,000 (six months ended 30 June 2016: RMB1,196,000), and on the assumption that 360,000,000 shares of USD0.01 each issued and issuable comprising 11,100 shares in issue and 359,988,900 shares to be issued pursuant to the capitalization issue as set out in note 13(a) as if the shares had been in issue throughout the Period (six months ended 30 June 2016: 359,999,487 shares, comprising weighted average number of shares in issue of 10,587 shares during the six months ended 30 June 2016 and 359,988,900 shares to be issued pursuant to the capitalisation issue as set out in note 13(a)).

No adjustment has been made to the basic earnings per share amounts presented for the period ended 30 June 2017 and 2016 in respect of a dilution as the Group had no potential dilutive ordinary share in issue during the Period and six months ended 30 June 2016.

7. TRADE AND BILLS RECEIVABLES

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000*
Trade receivables	**48,977**	61,605
Impairment	**(2,783)**	(2,301)
	46,194	59,304
Bills receivable	**1,887**	769
	48,081	60,073

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

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000*
Within 3 months	**20,693**	30,263
3 to 6 months	**5,775**	18,636
6 to 12 months	**19,336**	9,745
1 to 2 years	**1,696**	1,429
Over 2 years	**581**	–
	48,081	60,073

8. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000*
Prepayments to suppliers	**3,333**	2,584
Deferred listing fees*	**4,743**	3,084
Other receivables	**838**	753
	8,914	6,421

* Deferred listing fees represent legal and other professional fees relating to the Listing and they will be deducted from equity when the Company completes the Listing.

9. TRADE PAYABLES

An aged analysis of the trade payables as at 30 June 2017 and 31 December 2016, based on the invoice date, is as follows:

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000*
Within 6 month	**12,525**	18,079
6 to 12 months	**6,753**	4,367
1 to 2 years	**366**	384
2 to 3 years	**100**	109
Over 3 years	**156**	156
	19,900	23,104

10. OTHER PAYABLES AND ACCRUALS

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000*
Advances from customers	**2,411**	2,977
Accrued expenses	**8,243**	3,827
Payroll and welfare payable	**694**	1,407
Tax and surcharge payables	**8,607**	9,332
Payables related to property, plant and equipment	**1,201**	1,751
Due to related parties	**3,028**	1,987
Other payables	**1,308**	667
	25,492	21,948

11. ISSUED CAPITAL

Shares

	30 June 2017 (Unaudited)	31 December 2016
Authorised:		
10,000,000,000 (2016: 1,000,000) ordinary shares of US$0.01 each *(US$'000)*	**100,000**	10
Issued and fully paid:		
11,100 (2016: 11,100) ordinary shares of US$0.01 each *(US$'000)*	**0.1**	0.1
Equivalent to RMB'000	**1**	1

Pursuant to the resolutions passed by the shareholders of the Company on 23 June 2017, the authorised capital of the Company increased from US$10,000 divided into 1,000,000 shares of par value of US$0.01 each to US$100,000,000 divided into 10,000,000,000 shares of par value of US$0.01 each.

12. DIVIDENDS

At a meeting of the Directors held on 14 August 2017, the Directors resolved not to pay interim dividends for the Period to shareholders (six months ended 30 June 2016: Nil).

13. EVENTS AFTER THE REPORTING PERIOD

(a) Capitalisation Issue

Pursuant to the resolutions passed by the shareholders of the Company on 23 June 2017, the Directors were authorised to capitalise an aggregate amount of US$3,599,889 standing to the credit of the share premium of the Company and to appropriate such amount as capital to pay up in full at par 359,988,900 shares for allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 23 June 2017, in proportion to their then existing shareholdings in the Company, each ranking pari passu in all respects with the then existing issued shares. Capitalisation Issue had been completed immediately following the Listing Date.

(b) Initial Public Offering

On 21 July 2017, 120,000,000 ordinary shares of par value US$0.01 each were issued at a price of HK$1.00 per share under the Hong Kong Public Share Offer. The proceeds at US$1,200,000 (equivalent to RMB8,089,800) representing the par value, were credited to the Company's share capital. The remaining proceeds of HK$110,640,000 (equivalent to RMB96,723,701) before issuing expenses were credited to the share premium account.

Except for those disclosed above, the management of the Group is of the opinion that the Group has no other events after the reporting period that need to be disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group carries out research and development on, and manufactures and sells ITO film, Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System. The Group uses ITO film as one of the main materials for the development of downstream products, namely: (i) polymer dispersed liquid crystal film (i.e. Smart Light-adjusting Film); (ii) electronically switchable glass (i.e. Smart Light-adjusting Glass); and (iii) Smart Light-adjusting Projection System. The Group is one of the few integrated manufacturers in the PRC which produces and sells ITO film as well as a range of related downstream products.

ITO film can be applied for use in a variety of products including smart phones, GPS systems and other touch-screen devices and equipment such as automated teller machines. Our ITO film customers are primarily domestic touch-screen device manufacturers. Revenue from sales of ITO film was RMB6,573,000 for the six months ended 30 June 2017, which remained steady as compared to RMB6,536,000 for the same period in 2016.

Smart Light-adjusting Film is made from the integration of ITO film (which we manufacture in-house) and polymer dispersed liquid crystals. Smart Light-adjusting Film can be switched from a milky, cloudy, translucent and opaque state into a colourless and transparent state when electricity is applied to it, and may be applied to windows and glass to control the passing-through of light. Our Smart Light-adjusting Film customers are primarily construction companies and contractors of developers. Revenue from sales of Smart Light-adjusting Film was RMB9,221,000 for the six months ended 30 June 2017, which represented a slight decrease of RMB107,000 or 1%, from RMB9,328,000 for the same period in 2016.

Smart Light-adjusting Glass is manufactured by placing a layer of Smart Light-adjusting Film between two layers of glass. Smart Light-adjusting Glass permits a user to control the permeability of light through the glass by adjusting the voltage of electricity voltage applied to the Smart Light-adjusting Film fixed therein. Our Smart Light-adjusting Glass customers are primarily construction companies and contractors of developers. Revenue from sales of Smart Light-adjusting Glass was RMB12,014,000 for the six months ended 30 June 2017, which represented an increase of RMB2,332,000 or 24%, from RMB9,682,000 for the same period in 2016.

Smart Light-adjusting Projection System makes use of project technology to project visual images onto projection screens. Such projection screens are manufactured using Smart Light-adjusting Products which is opaque when no power source is applied to it. Our Smart Light-adjust Projection System customers are primarily construction companies and commercial users. Revenue from sales of Smart Light-adjusting Projection System was RMB3,882,000 for the six months ended 30 June 2017, which represented a decrease of RMB1,406,000 or 27%, from RMB5,288,000 for the same period in 2016.

Our Group strives to manufacture and supply high quality products to our customers, and our Directors believe that our Group is a reputable supplier of ITO film and related downstream products in the PRC. Our key operating subsidiary was ranked as the leading manufacturer of Smart Light-adjusting Products and Smart Light-adjusting Projection Systems in the PRC in terms of market share by revenue in 2015. Leveraging on our current market position as a leading producer of Smart Light-adjusting Products and Smart Light-adjusting Projection Systems in the PRC in terms of market share, we experienced growth in business during the six months ended 30 June 2017. The Group recorded a net loss of RMB1,000,000 for the six months ended 30 June 2017, as compared to a net loss of RMB1,196,000 for the same period in 2016. After adjusting for the non-recurring Listing expenses of RMB5,185,000 attributable to the relevant period of 2017 (2016: RMB6,188,000), the net profit of the Group amounted to RMB4,185,000 (six months ended 30 June 2016: RMB4,992,000).

Outlook And Prospects

Our Directors believe that, as a market participant which is active in the technology sector, it is crucial for the business of our Group to devote substantial resources towards research and development (including identifying new materials and applications) which will advance or sustain its competitiveness in light of evolving market trends and customer preferences and needs. Further, our Directors believe that our Group's current market leading positions in the PRC by market share relating to its Smart Light-adjusting Products and downstream application (namely, the Smart Light-adjusting Projection System) is testimonial of sufficient market demand for its products and it is opportune time to capitalise and realise its potential in overseas markets. As such, our Group intends to extend its footprint to overseas markets as well as develop production lines which cater for expected demand for its products.

The ordinary shares of nominal value of US$0.01 each in the share capital of the Company (the "Shares") were successfully listed on GEM on 21 July 2017 (the "Listing"). Our Directors believe that the net proceeds from the Listing will provide us with additional capital to implement our future plans, which would be conducive to increasing our competitiveness in the market in which we operate which will assist us in securing more customers and in turn assist us in achieving our goal of increasing our market presence and geographical reach both in the PRC and abroad. In addition, our Directors expect the Listing assist us to gain access to the capital market for the future growth of our Group.

Financial Review

Revenue

Our revenue was RMB36,798,000 for the six months ended 30 June 2017, which represented an increase of RMB3,647,000, or 11% from RMB33,151,000 for the same period in 2016. The increase was primarily attributable to an increase of RMB2,332,000 in revenue from the sales of Smart Light-adjusting Glass which was driven by the increase in the sales volume.

Cost of sales and Gross Profit

Our cost of sales was RMB22,982,000 for the six months ended 30 June 2017, which represented an increase of RMB3,307,000, or 17%, from RMB19,675,000 for the same period in 2016. The increase in cost of sales mainly reflected our increase in sales of Smart Light-adjusting Glass for the six months ended 30 June 2017 as compared to the same period in 2016.

Our gross profit increased by RMB340,000 or 3%, from RMB13,476,000 for the six months ended 30 June 2016 to RMB13,816,000 for the six months ended 30 June 2017. Our gross profit margin decreased slightly from 40.7% for the six months ended 30 June 2016 to 37.5% for the six months ended 30 June 2017. The decrease was mainly attributed to the lower selling prices of our Smart Light-adjusting Film and Smart Light-adjusting Projection Systems.

Selling and distribution expenses

Our selling and distribution expenses were RMB4,991,000 for the six months ended 30 June 2017, which represented an increase of RMB1,215,000, or 32%, from RMB3,776,000 for the same period in 2016. This increase was mainly attributable to increase in remuneration for sales and marketing employees based on sales performances and increase in expenses relating to our marketing efforts in business promotion and participation in exhibitions. As a percentage of revenue, our selling and distribution expenses increased to 13.6% for the six months ended 30 June 2017 from 11.4% for same period in 2016.

Administrative expenses

Our administration expenses were RMB8,854,000 for the six months ended 30 June 2017, which represented a decrease of approximately RMB806,000, or 8%, from RMB9,660,000 for the same period in 2016. The decrease was primarily attributable to the decrease of RMB1,003,000 in the non-recurring Listing expenses charged for the six months ended 30 June 2017 as compared to the same period in 2016. As a percentage of revenue, our administrative expenses decreased to 24.1% for the six months ended 30 June 2017 from 29.1% for the same period in 2016.

Liquidity, Financial Resources and Capital Structure

Our primary use of cash is to satisfy our working capital and capital expenditure needs. Historically, our Group's use of cash has mainly been financed through a combination of cash received from the sales of our products and financial support from our Group's related parties.

As at 30 June 2017, our Group had cash and cash equivalents of RMB16,405,000 and did not have any bank borrowings. Going forward, we believe our liquidity requirements will be satisfied using a combination of cash generated from operating activities, bank borrowings and proceeds from the Listing. Our Directors believe that in the long term, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

As at 30 June 2017, our Group's current assets amounted to RMB87,075,000 and current liabilities amounted to RMB47,042,000. Current ratio was 1.9 as at 30 June 2017 (31 December 2016: 1.8).

Capital Expenditure

For the six months ended 30 June 2017, our capital expenditure amounted to RMB188,000 and mainly arose from expenditures for purchase of production machinery and test equipment.

Use of Proceeds from the Listing

The Shares of the Company were listed on GEM on 21 July 2017 with net proceeds received by the Company from the Share Offer in the amount of HK$92,100,000 after deducting underwriting commission and all related listing expenses. The net proceeds received from the Share Offer will be used in the manner consistent with that set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

Since the listing date up to the date of this announcement, the proceeds from the Listing have not yet been applied for any uses.

Gearing Ratio

Gearing ratio is calculated as net debt (comprises trade payables, other payables and accruals, and tax payable, less cash and cash equivalents and pledged deposits) at the end of the respective year divided by total equity. Gearing ratio was 38.2% as at 30 June 2017 (31 December 2016: 50.6%).

Foreign Currency Exposure

Our principle businesses are located in the PRC and most of the transactions are conducted in RMB. Most of our assets and liabilities are denominated in RMB, except for those of the overseas subsidiary in Hong Kong whose functional currency is HK$.

We do not consider that we are significantly exposed to the risk of fluctuation in the exchange rates between HK$, US$ and RMB as a reasonable possible change of 5% in RMB against US$ and HK$ would have no significant financial impact to our profit.

Capital Commitments

Our Group had capital commitments of RMB63,000 as at 30 June 2017 (31 December 2016: RMB10,000) relating to the purchase of plant and machinery.

Contingent Liabilities

the Group had no significant contingent liabilities as at 30 June 2017 (31 December 2016: Nil).

Employees and Remuneration Policies

As at 30 June 2017, we had a total headcount of 132 full-time employees. The remuneration package of our employees includes a basic salary, allowances and bonuses. The various allowances cover holidays, social security and housing contributions. We make contributions to all mandatory social security and housing provident funds for our employees.

Dividend

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2017, the Shares of the Company were not listed on the Stock Exchange. The respective Divisions 7 and 8 of Part XV of the SFO, Section 352 of the SFO and Rules 5.46 to 5.67 of the GEM Listing Rules were not applicable.

So far as the Directors are aware, as at the date of this announcement, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, have been notified to the Company and the Stock Exchange, are as follows:–

Long positions in the Shares

Name of Director(s)	Capacity/ Nature of Interests	Number of Shares held	Approximate percentage of shareholding *(Note 2)*
Mr. LIU Hongwei	Interest in a controlled corporation *(Note 1)*	328,757,060	68.5%

Notes:

1. Mr. LIU Hongwei is a controlling shareholder and Chairman and non-executive Director of the Company. He is deemed to be interested in the Shares to which Strong Eagle Holdings is interested in (through its indirect shareholding in Top Access Management Limited through China Singyes Solar Technologies Holdings Limited).

2. The percentage is calculated on the basis of 480,000,000 Shares in issue as at the date of this announcement.

Save as disclosed above, as at the date of this announcement, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which was taken or deemed to have under such provisions of the SFO), or which was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section "Directors' and Chief Executive's Interests ad Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations" above, at no time since the Listing Date and up to the date of this announcement, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

INTEREST IN COMPETING BUSINESSES

China Singyes Solar Technologies Holdings Limited ("Singyes Solar"), one of the controlling shareholders (as defined under GEM Listing Rules) of the Company, has entered into the deed of non-competition dated 23 June 2017 (the "Deed of Non-competition") in favour of the Company, details of which were set out in the Prospectus. Pursuant to the Deed of Non-competition, Singyes Solar has undertaken to our Company (for ourselves and as trustee for each of our subsidiaries) that with effect from the Listing Date, it shall not, and shall procure each of its close associates (other than our Group) shall not, whether on its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, whether as a shareholder, director, employee, partner, agent or otherwise (other than being a director or shareholder of our Group or members of our Group), carry on or be engaged in, directly or indirectly, a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which competes or may in any aspect compete directly or indirectly with the business or which is similar to the business currently and may from time to time be engaged by our Group (including but not limited to the production and sale and businesses ancillary to any of the foregoing).

Since the Listing Date and up to the date of this announcement, none of the Directors, the controlling shareholders of the Company or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

The controlling shareholders of the Company have confirmed to the Company that from the Listing Date and up to the date of this announcement, Singyes Solar and its respective close associates (as defined under the GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Octal Capital Limited ("Octal Capital") to be the compliance adviser. As informed by Octal Capital, neither Octal Capital nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement and the supplemental compliance adviser entered into between the Company and Octal Capital dated 30 August 2016 and 28 June 2017 respectively.

CORPORATE GOVERNANCE

Overview

The Board recognises 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 code provisions of the Corporate Governance Code as set out in Appendix 15 of the Rule Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") since the listing date.

Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding directors' securities transactions adopted by the Company throughout the period from the listing date to the date of this announcement.

Purchase, Sale Or Redemption Of The Company's Listed Securities

As the Shares of the Company were listed on GEM on 21 July 2017, neither did the Company redeem nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities after listing and up to the date of this announcement.

Audit Committee

The Company has established the Audit Committee on 21 July 2017 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules has been adopted. Among other things, the primary duties of the Audit Committee are to review and supervise the Company's financial reporting process, internal control system and risk management system and to provide advice and recommendations to the Board on the appointment, reappointment and removal of external auditors.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Lee Kwok Tung Louis, Mr. Wei Junfeng and Dr. Li Ling. Mr. Lee Kwok Tung Louis is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters with senior management and the auditors of the Company relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2017. The interim results (containing the unaudited condensed consolidated financial statements) of the Company for the Period has been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting principles and practices adopted by the Group and that adequate disclosure has been made.

By Order of the Board of
China Singyes New Materials Holdings Limited
LIU, Hongwei
Chairman

Hong Kong, 14 August 2017

As at the date of this announcement, the non-executive Director and the Chairman of the Company is Mr. Liu Hongwei; the executive Directors of the Company are Mr. Sun Jinli, Mr. Zhao Feng, Mr. Zhang Chao and Mr. Tang Liwen; and the independent non-executive Directors of the Company are Mr. Lee Kwok Tung Louis, Mr. Wei Junfeng and Dr. Li Ling.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.syeamt.com).