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 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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

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 GEM 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 of Directors of the Company (the "Board") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2019 with the comparative figures for the corresponding period ended 31 March 2018.

FINANCIAL HIGHLIGHTS

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
Revenue	**29,117**	22,279
Gross profit	**10,592**	7,930
Profit before tax	**3,361**	3,466
Profit attributable to owners of the Company	**2,517**	2,614
Gross profit margin	**36.4%**	35.6%
Net profit margin	**8.6%**	11.7%
Earning per share attributable to ordinary equity holders		
— Basic and diluted (Three months ended 31 March 2018: Basic)	**RMB0.004**	RMB0.005
— Diluted	**N/A**	RMB0.005

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	Notes	Three months ended 31 March 2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
REVENUE	3	**29,117**	22,279
Cost of sales		**(18,525)**	(14,349)
Gross profit		**10,592**	7,930
Other income and gains	4	**1,558**	2,974
Selling and distribution expenses		**(2,844)**	(2,703)
Administrative expenses		**(5,255)**	(4,500)
Impairment loss on trade receivables		**(610)**	(226)
Other expenses		**(13)**	(9)
Interest expense		**(67)**	—
PROFIT BEFORE TAX	5	**3,361**	3,466
Income tax expense	6	**(844)**	(852)
PROFIT FOR THE PERIOD		**2,517**	2,614
OTHER COMPREHENSIVE LOSS:			
Other comprehensive loss that will not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**(1,510)**	(2,978)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**1,007**	(364)
Profit attributable to:			
Owners of the Company		**2,109**	2,614
Non-controlling interests		**408**	—
		2,517	2,614
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**599**	(364)
Non-controlling interests		**408**	—
		1,007	(364)
EARNING PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (Three months ended 31 March 2018: Basic)	7	**RMB0.004**	RMB0.005
Diluted	7	**N/A**	RMB0.005

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2019

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.

The Company is an investment holding company. During the three months ended 31 March 2019 (the "Period"), the Company's subsidiaries were involved in the sale and installation of Indium Tin Oxide ("ITO") film, and the research and development, production, sale and installation of Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System in the mainland of the People's Republic of China (the "PRC").

In the opinion of the directors of the Company, 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 Singyes Solar are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

2.1 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 2018.

The unaudited condensed financial information has been reviewed by the audit committee of the Company.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2018, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board for the first time for financial year beginning 1 January 2019.

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Other than as explained below regarding the impact of IFRS 16, the adoption of the above new and revised standards have had no significant financial effect on the financial position or performance of the Group.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease,SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019 and will not restate the comparatives. In addition, the Group applied the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("low-value assets").

Upon adoption of IFRS 16, right-of-use assets ("ROU assets") and lease liabilities of RMB5,602,000 were recognised and presented separately in the statement of financial position as at 1 January 2019.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The depreciation expense of RMB602,000 and interest expense of RMB67,000 were recognised during the Period.

3. REVENUE AND OPERATING SEGMENT INFORMATION

Operating segment information

The Group's revenue and contribution to consolidated results are mainly derived from its sale of ITO film, Smart Light-adjusting Film, Smart Light-adjusting Glass and Smart Light-adjusting Projection System and installation of 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.

An analysis of revenue is as follows:

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	**29,117**	22,279

Revenue from contracts with customers

(i) Disaggregated revenue information

Type of goods or services

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
ITO film	**13,795**	5,687
Smart Light-adjusting Film	**11,785**	8,100
Smart Light-adjusting Glass	**1,099**	611
Smart Light-adjusting Projection System	**—**	7,552
Others	**2,438**	329
Total revenue from contracts with customers	**29,117**	22,279

Geographical markets

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Domestic — Mainland China*	**28,509**	21,812
Others	**608**	467
Total revenue from contracts with customers	**29,117**	22,279

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

Information about major customers

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

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**N/A**	5,157
Customer B	**N/A**	2,267
Customer C	**3,120**	N/A

Timing of revenue recognition

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Goods transferred at a point in time	**29,117**	22,279

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within one to six months from delivery, except for small and new customers, where payment is normally expected to be settled shortly after the delivery of goods.

Installation services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of installation and customer acceptance, except for new customers, where payment in advance is normally required.

At 31 March 2019, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants*	**100**	—
Deferred income released to profit or loss	**51**	23
Bank interest income	**28**	32
Foreign exchange gains, net	**1,358**	2,840
Sales of scrapped materials	**21**	79
	1,558	2,974

* There were no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging/(crediting):

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**18,525**	14,349
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**3,774**	3,826
Pension scheme contributions	**183**	126
Equity-settled share option expense	**320**	397
	4,277	4,349
Depreciation of items of property, plant and equipment	**2,102**	1,487
Depreciation of ROU assets	**602**	—
Research costs	**694**	1,105
Interest expense	**67**	—
Equity-settled share option expense	**320**	—
Minimum lease payments under operating leases	**14**	275
Impairment loss on trade receivables	**610**	226
Foreign exchange gains, net	**(1,358)**	(2,840)

6. INCOME TAX

The major components of income tax expense were as follows:

	Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current — Mainland China		
Charge for the Period	**991**	830
Deferred	**(147)**	22
Total tax charge for the Period	**844**	852

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. 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.

(c) One of the subsidiaries 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 28 November 2018 to 28 November 2021. Other subsidiaries located in Mainland China were entitled to a preferential PRC CIT rate of 10% as they were accredited as small and micro business.

7. EARNING PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, and the number of ordinary shares of 520,000,000 (for the three months ended 31 March 2018: weighted average number of ordinary shares of 483,594,000) in issue during the Period.

The calculation of the diluted earnings per share amount is based on the profit for the Period attributable to ordinary equity holders of the Company as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	(Unaudited) Three months ended 31 March	
	2019	2018
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the Company used in the basis earning per share	**2,109**	2,614

	(Unaudited) Three months ended 31 March	
	2019	2018
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earning per share	**520,000**	480,000
Effect of dilution-weighted average number of ordinary shares:		
Share options*	—	3,594
	520,000	483,594

* No adjustment has been to the basic earnings per share amount for the Period in respect of a dilution as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's shares during the Period.

8. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the end of the reporting period of this announcement.

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 RMB13,795,000 for the three months ended 31 March 2019, which represented a significant increase of RMB8,108,000 or 142.6%, from RMB5,687,000 for the same period in 2018. In December 2018, the Group has acquired Huabei Limited to further expand its market share of ITO film in Southern China. This has largely contributed to the significant growth in sales volume for the three months ended 31 March 2019.

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 RMB11,785,000 for the three months ended 31 March 2019, which represented an increase of RMB3,685,000 or 45.5%, from RMB8,100,000 for the same period in 2018 as a result of the growth in sales volume driven by the continuous expansion of the customer base.

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 RMB1,099,000 for the three months ended 31 March 2019, which represented a significant increase of RMB488,000 or 79.9%, from RMB611,000 for the same period in 2018. The decent growth rate was mainly due to the low base in the first quarter of 2018.

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. There was no revenue from sales of Smart Light-adjusting Projection System for the three months ended 31 March 2019, comparing to RMB7,552,000 for the same period in 2018 because we have completed all the sales orders of Smart Light-adjusting Projection System within the year 2018 but just received new sales orders after the Chinese New Year holiday in 2019. Hence, we believe that the sale of Smart Light-adjusting Projection System will catch up starting from second quarter of 2019.

Others represented sale of other products. The revenue from others was RMB2,438,000 for the three months ended 31 March 2019, which represented a significant increase of RMB2,109,000, from RMB329,000 for the same period in 2018.

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. 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 three months ended 31 March 2019. However, due to the decrease in foreign exchange gains, increase in share option expense, and increase in impairment loss on trade receivables, the Group recorded a profit attributable to owners of the Company of RMB2,109,000 for the three months ended 31 March 2019, which represented a decrease of RMB595,000 or 22.8%, from RMB2,614,000 for the same period in 2018.

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 Shares of the Company 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 RMB29,117,000 for the three months ended 31 March 2019, which represented an increase of RMB6,838,000, or 30.7% from RMB22,279,000 for the same period in 2018. The increase was primarily attributable to increase in revenue from the sales of ITO film and Smart Light-adjusting Film, which was driven by the increase in the sales volume.

Cost of sales and Gross Profit

Our cost of sales was RMB18,525,000 for the three months ended 31 March 2019, which represented an increase of RMB4,176,000, or 29.1%, from RMB14,349,000 for the same period in 2018. The increase in cost of sales mainly reflected our increase in sales of ITO film and Smart Light-adjusting Film for the three months ended 31 March 2019 as compared to the same period in 2018.

Our gross profit increased by RMB2,662,000 or 33.6%, from RMB7,930,000 for the three months ended 31 March 2018 to RMB10,592,000 for the three months ended 31 March 2019. Our gross profit margin remained stable at 36.4% for the three months ended 31 March 2019 compared to 35.6% for the three months ended 31 March 2018.

Other income and gains

Our other income and gains were RMB1,558,000 for the three months ended 31 March 2019, which represented a decrease of approximately RMB1,416,000 or 47.6%, as compared to RMB2,974,000 for the same period in 2018. The decrease was primarily attributable to decrease of RMB1,482,000 in foreign exchange gains.

Selling and distribution expenses

Our selling and distribution expenses were RMB2,844,000 for the three months ended 31 March 2019, which represented a slight increase of RMB141,000, or 5.2%, from RMB2,703,000 for the same period in 2018. The expenses mainly included remuneration for sales and marketing employees based on sales performances and expenses relating to our marketing efforts in business promotion and participation in exhibitions. As a percentage of revenue, the selling and distribution expenses was 9.8% for the three months ended 31 March 2019, which dropped from 12.1% for same period in 2018.

Administrative expenses

Our administration expenses were RMB5,255,000 for the three months ended 31 March 2019, which represented an increase of approximately RMB755,000, or 16.8%, from RMB4,500,000 for the same period in 2018. The increase was primarily attributable to the increase in depreciation and share option expense. As a percentage of revenue, the administrative expenses slightly decreased to 18.0% for the three months ended 31 March 2019 from 20.2% for the same period in 2018.

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 31 March 2019, our Group 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.

Use of Proceeds from the Listing

The Shares of the Company were listed on GEM on 21 July 2017 (the "Listing Date") with net proceeds received by the Company from the Share Offer in the amount of HK$93,500,000 after deducting underwriting commission and all related listing expenses.

An analysis of the utilization of the net proceeds from the Listing Date up to 31 March 2019 is set out below:

Business Strategy	**Planned use of net proceeds as stated in the Prospectus up to 31 March 2019** *HK$ million*	**Actual use of net proceeds up to 31 March 2019** *HK$ million*	**Actual balances of proceeds up to 31 March 2019** *HK$ million*
Overseas business expansion	7.0	1.6	5.4
Research and development of new materials and products	11.1	8.1	3.0
Purchase of machinery and equipment for production of anti-ambient screen	6.8	4.1	2.7
Enhancement to wide ITO film	4.3	2.1	2.2
Working capital	5.3	5.3	—
Sales and marketing effects in the PRC	5.5	2.2	3.3
Project for full automation of production line for Smart Light-adjusting Products	12.0	4.7	7.3
Establishment and mass production of domestic laser none cinema systems	5.5	—	5.5
Installation of extra-wide Production line for Smart Light-adjusting Products	3.0	—	3.0
Installation of fully automated production line for pressing of glass	3.0	—	3.0

The business strategies as set out in the prospectus of the Company dated 30 June 2017 (the "Prospectus") were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at 31 March 2019, approximately HK$28.1 million out of the net proceeds from the Share Offer had been used. The unused net proceeds have been deposited in licensed banks.

The Company intends to apply the net proceeds in the manner consistent with that set out in the Prospectus. However, the actual use of proceeds was lower than planned use of proceeds because of the delay in automation and installation of production lines. It has taken more time than expected to look for suitable machinery and equipment producers which could meet our production requirements. Recently, the Company has identified suitable machinery producer and expects to install new production line in the year 2019. The Directors will constantly evaluate the Group's business strategies and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

DIVIDEND

The Board did not recommend the payment of dividend for the three months ended 31 March 2019 (2018: Nil).

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 March 2019, so far as the Directors are aware, the following persons have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") or which were recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the Shares

Name of shareholders	Capacity/ Nature of interests	Number of Shares held	Approximate percentage of shareholding *(Note 5)*
Top Access Management Limited	Beneficial owner	324,324,325	62.37%
China Singyes Solar Technologies Holdings Limited	Interest in a controlled corporation *(Note 1)*	324,324,325	62.37%
Strong Eagle Holdings Limited	Interest in a controlled corporation *(Note 2)*	324,324,325	62.37%
	Beneficial owner	3,473,589	0.67%
	Sub-total	327,797,914	63.04%
Mr. LIU Hongwei	Interest in a controlled corporation *(Note 3)*	327,797,914	63.04%
AMATA Limited	Beneficial owner	40,000,000	7.69%
Mr. Luo Jingxi	Interest in a controlled corporation *(Note 4)*	40,000,000	7.69%

Notes:

1. The entire issued share capital of Top Access Management Limited ("Top Access") is legally and beneficially owned by China Singyes Solar Technologies Holdings Limited ("Singyes Solar"), which is deemed to be interested in the Shares held by Top Access under Part XV of the SFO.

2. Strong Eagle Holdings Limited ("Strong Eagle") is the legal and beneficial owner of 203,802,750 shares of Singyes Solar, representing approximately 24.43% of the issued share capital in Singyes Solar. Strong Eagle is deemed to be interested in the Shares to which Singyes Solar is interested in (through its shareholding in Top Access) under Part XV of the SFO.

3. Strong Eagle is legally and beneficially owned by Mr. Liu Hongwei (a controlling shareholder, the non-executive Director and Chairman of the Company), Mr. Sun Jinli (an executive Director of the Company), Mr. Xie Wen, Mr. Xiong Shi and Mr. Zhuo Jianming as to 53%, 15%, 14%, 9% and 9% respectively. Mr. Liu Hongwei is deemed to be interested in the Shares to which Strong Eagle is interested in (through its indirect shareholding in Top Access through Singyes Solar) under Part XV of the SFO.

4. AMATA Limited is legally and beneficially owned by Mr. Luo Jingxi, Mr. Hua Jianjun, Mr. Zhong Qibo and Mr. He Qiangmin as to 39%, 27%, 20% and 14% respectively. Mr. Luo Jingxi is deemed to be interested in the Shares held by AMATA Limited under Part XV of the SFO.

5. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 31 March 2019.

Save as disclosed above, as at 31 March 2019, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation other than the Directors and the Chief Executives whose interests are set out in the section "Directors' and Chief Executives' interests and short positions in Shares, underlying Shares and debenture of the Company and its associated corporations" below, had any interest or short position in the Shares or underlying Shares of the Company that was required to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

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

As at 31 March 2019, so far as the Directors are aware, the interests and short positions of the Directors and chief executives 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 of the Company

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)*	327,797,914	63.04%

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 is interested in (through its indirect shareholding in Top Access through Singyes Solar).

2. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 31 March 2019.

Long positions in the shares of China Singyes Solar Technologies Holdings Limited *(Note 1)*

Name of Director(s)	Capacity/ Nature of Interests	Number of Shares held	Approximate percentage of total registered share capital *(Note 5)*
Mr. Liu Hongwei	Interest of a controlled corporation	203,802,750 *(Note 2)*	24.43%
	Beneficial interest	1,379,120 *(Note 3)*	0.17%
	Sub-total	205,181,870	24.60%
Mr. Sun Jinli	Beneficial interest	1,379,120 *(Note 4)*	0.17%

Notes:

1. Singyes Solar is listed in the Main Board of the Stock Exchange with stock code: 750. Singyes Solar is a holding company of the Company pursuant to the SFO.

2. 203,802,750 shares of Singyes Solar are held by Strong Eagle, whose share capital is 53% owned by Mr. Liu Hongwei (the non-executive Director and Chairman of the Company). Mr. Liu Hongwei is deemed to be interested in these shares by virtue of the SFO.

3. 1,379,120 share options of Singyes Solar are directly beneficially owned by Mr. Liu Hongwei. Among these share options, 455,082 share options' exercise price is HK$3.56 per share of Singyes Solar with exercise period from 23 January 2010 to 22 July 2019, 462,019 share options' exercise price is HK$3.56 per share of Singyes Solar with exercise period from 23 July 2010 to 22 July 2019, 462,019 share options' exercise price is HK$3.56 per share of Singyes Solar with exercise period from 23 July 2011 to 22 July 2019.

4. 1,379,120 share options of Singyes Solar are directly beneficially owned by Mr. Sun Jinli (an executive Director of the Company). Among these share options, 455,082 share options' exercise price is HK$3.56 per share of Singyes Solar with exercise period from 23 January 2010 to 22 July 2019, 462,019 share options' exercise price is HK$3.56 per share of Singyes Solar with exercise period from 23 July 2010 to 22 July 2019, 462,019 share options' exercise price is HK$3.56 per share of Singyes Solar with exercise period from 23 July 2011 to 22 July 2019.

5. The percentage is calculated on the basis of 834,073,195 shares in issue of Singyes Solar as at 31 March 2019.

Save as disclosed above, as at 31 March 2019, none of the Directors or chief executives 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 Executives' 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

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).

During the three months ended 31 March 2019 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 during the three months ended 31 March 2019 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 agreement 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 GEM Listing Rules during the three months ended 31 March 2019 and up to the date of this announcement (the "Relevant Period").

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 during the Relevant Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither did the Company redeem nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities during the Relevant Period.

AUDIT COMMITTEE

The Company has established the Audit Committee on 21 July 2017 in compliance with Rule 5.28 of the GEM Listing Rules. 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 consolidated financial statements of the Group for the three months ended 31 March 2019. This announcement 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, 9 May 2019

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).