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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

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 (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 30 September 2020.

FINANCIAL HIGHLIGHTS

	For the three months ended 30 September		**For the nine months ended 30 September**	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	**27,658**	42,691	**72,953**	106,661
Gross profit	**6,966**	17,448	**18,667**	41,096
Profit before tax	**3,041**	4,400	**5,555**	12,432
Profit for the period	**2,885**	3,854	**5,296**	10,549
Gross profit margin	**25.2%**	40.9%	**25.6%**	38.5%
Net profit margin	**10.4%**	9.0%	**7.3%**	9.9%
Earnings per share attributable to ordinary equity holders				
— Basic and diluted	**RMB0.006**	RMB0.008	**RMB0.010**	RMB0.020

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2020

	Notes	Three months ended 30 September 2020 RMB'000 (Unaudited)	Three months ended 30 September 2019 RMB'000 (Unaudited)	Nine months ended 30 September 2020 RMB'000 (Unaudited)	Nine months ended 30 September 2019 RMB'000 (Unaudited)
REVENUE	3	**27,658**	42,691	**72,953**	106,661
Cost of sales		**(20,692)**	(25,243)	**(54,286)**	(65,565)
Gross profit		**6,966**	17,448	**18,667**	41,096
Other income and gains	4	**3,884**	207	**5,742**	793
Selling and distribution expenses		**(2,920)**	(2,317)	**(6,900)**	(7,391)
Administrative expenses		**(5,353)**	(7,230)	**(17,602)**	(17,490)
Other expenses		**(266)**	(3,321)	**(471)**	(4,151)
Reversal of impairment loss/ (impairment loss) on financial assets		**771**	(271)	**6,376**	(54)
Interest on lease liabilities		**(41)**	(116)	**(257)**	(371)
PROFIT BEFORE TAX	5	**3,041**	4,400	**5,555**	12,432
Income tax expense	6	**(156)**	(546)	**(259)**	(1,883)
PROFIT FOR THE PERIOD		**2,885**	3,854	**5,296**	10,549
OTHER COMPREHENSIVE INCOME/(LOSS):					
Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements		**(2,572)**	1,526	**(1,266)**	1,681
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**313**	5,380	**4,030**	12,230
Profit/(loss) attributable to:					
Owners of the Company		**2,959**	3,981	**5,456**	10,240
Non-controlling interests		**(74)**	(127)	**(160)**	309
		2,885	3,854	**5,296**	10,549
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**387**	5,507	**4,190**	11,921
Non-controlling interests		**(74)**	(127)	**(160)**	309
		313	5,380	**4,030**	12,230
Earnings per share attributable to ordinary equity holders of the Company					
Basic and diluted	7	**RMB0.006**	RMB0.008	**RMB0.010**	RMB0.020

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2020

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 nine months ended 30 September 2019 (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 mainland of 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 Shuifa Singyes Energy Holdings Limited ("Shuifa Singyes") and Shuifa Group Co., Ltd. ("Shuifa Group"), respectively. Top Access was incorporated in the British Virgin Islands. Shuifa Singyes was incorporated in Bermuda. The shares of Shuifa Singyes are listed on the Main Board of the Stock Exchange. Shuifa Group was incorporated in the PRC.

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 2019.

The unaudited condensed financial information have 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 2019, except for the adoption of the following revised International Financial Reporting Standards for the first time for the current period's financial information.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendments to IAS 1 and IAS 8	*Definition of Material*

The adoption of the above revised standards has had no significant financial effect on the financial position or performance of the Group.

3. REVENUE AND OPERATING SEGMENT INFORMATION

An analysis of revenue is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue from contracts with customers	**27,658**	42,691	**72,953**	106,661

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of goods or services

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Sales of ITO film	**8,994**	10,813	**30,532**	37,820
Sales of Smart Light-adjusting Film	**10,917**	12,765	**25,145**	37,573
Sales of Smart Light-adjusting Glass	**1,533**	2,969	**6,510**	9,355
Sales of Smart Light-adjusting Projection System	**88**	—	**129**	140
Installation services	**—**	8,064	**—**	8,064
Sales of other products	**6,126**	8,080	**10,637**	13,079
Total revenue from contracts with customers	**27,658**	42,691	**72,953**	106,661

Geographical markets

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Domestic — Mainland China*	**27,658**	42,099	**70,445**	104,928
Others	**—**	592	**2,508**	1,733
Total revenue from contracts with customers	**27,658**	42,691	**72,953**	106,661

* 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.

Timing of revenue recognition

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Goods transferred at a point in time	**27,658**	34,627	**72,953**	98,597
Services transferred over time	**—**	8,064	**—**	8,064
Total revenue from contracts with customers	**27,658**	42,691	**72,953**	106,661

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.

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:

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Customer A	**3,385**	8,064	*	*
Customer B	*	6,295	*	*

* Less than 10%

4. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Deferred income released to profit or loss	**744**	162	**3,095**	261
Bank interest income	**35**	31	**136**	90
Government grants*	**838**	14	**1,205**	421
Foreign exchange gains, net	**2,262**	—	**1,116**	—
Sales of scrapped materials	**5**	—	**5**	21
Gain on disposal of property, plant and equipment	**—**	—	**1**	—
Miscellaneous	**—**	—	**184**	—
	3,884	207	**5,742**	793

* 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 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Cost of inventories sold	**20,692**	18,749	**54,286**	59,071
Cost of installation service	**—**	6,494	**—**	6,494
	20,692	25,243	**54,286**	65,565
Employee benefit expense: (including directors' and chief executive's remuneration):				
Wages and salaries	**4,028**	3,944	**13,054**	12,386
Pension scheme contributions	**119**	124	**240**	506
Equity-settled share option expense, net of reversal	**142**	327	**(328)**	971
	4,289	4,395	**12,966**	13,863
Depreciation of items of property, plant and equipment	**3,006**	1,761	**9,694**	6,032
Depreciation of right-of-use assets	**244**	662	**1,317**	1,715
Research costs	**2,117**	2,364	**6,852**	4,189
Interest on lease liabilities	**41**	116	**257**	371
Equity-settled share option expense, net of reversal	**73**	327	**(150)**	971
Auditor's remuneration	**—**	—	**400**	400
Impairment loss/(reversal of impairment loss) on trade receivables	**(771)**	271	**(6,376)**	541
Write-off/(gain on disposal) of items of property, plant and equipment	**—**	1,757	**(1)**	1,757
Foreign exchange losses/(gains), net	**(2,262)**	1,564	**(1,116)**	1,872

6. INCOME TAX

The major components of income tax expense were as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current — Mainland China				
Charge for the Period	**—**	1,081	**—**	2,559
Deferred	**156**	(535)	**259**	(676)
Total tax charge for the Period	**156**	546	**259**	1,883

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 the Hong Kong incorporated subsidiaries was 16.5% during the Period and the nine months ended 30 September 2019. 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 nine months ended 30 September 2019.

(c) During the Period and the nine months ended 30 September 2019, Zhuhai Singyes New Materials Company Limited was entitled to a preferential PRC CIT rate of 15% as it is accredited as "High and New Technology Enterprise" ("HNTE") from 28 November 2018 to 28 November 2021. Shenzhen Kangsheng Photoelectric Technology Company Limited was entitled to a preferential PRC CIT rate of 15% as it is accredited as HNTE from 9 December 2019 to 9 December 2022. Yan'an Singyes New Materials Company Limited was entitled to a preferential PRC CIT rate of 10% as they were accredited as small and micro business.

7. EARNINGS 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 nine months ended 30 September 2019: 520,000,000) in issue during the Period.

No adjustment has been to the basic earnings per share amount for the Period and the nine months ended 30 September 2019 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 and the nine months ended 30 September 2019.

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.

As a result of the Coronavirus disease 2019 (COVID-19) outbreak in China in December 2019, the delivery of certain sales orders was delayed because many of our customers had only resumed operation in March and April 2020. The sales volume during the nine months ended 30 September 2020 has dropped compared to the same period in 2019 mainly because our business in the first quarter of 2020 was negatively affected by the COVID-19 epidemic and related measures imposed in China.

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 RMB30,532,000 for the nine months ended 30 September 2020, which represented a decrease of RMB7,288,000 or 19.3%, from RMB37,820,000 for the same period in 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 RMB25,145,000 for the nine months ended 30 September 2020, which represented a decrease of RMB12,428,000 or 33.1%, from RMB37,573,000 for the same period in 2019.

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 RMB6,510,000 for the nine months ended 30 September 2020, which represented a decrease of RMB2,845,000 or 30.4%, from RMB9,355,000 for the same period in 2019.

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-adjusting Projection System customers are primarily construction companies and commercial users. Revenue from sales of Smart Light-adjusting Projection System was RMB129,000 for the nine months ended 30 September 2020, comparing to RMB140,000 for the same period in 2019.

Other products include sales of other materials and products. The aggregated revenue from other products was RMB10,637,000 for the nine months ended 30 September 2020, which represented a decrease of RMB2,442,000 or 18.7%, from RMB13,079,000 for the same period in 2019.

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 in the PRC in terms of market share by revenue. Because of the aforesaid COVID-19 impact on our business, the Group recorded a decrease of RMB4,784,000 or 46.7% in profit attributable to owners of the Company, which amounted to RMB5,456,000 for the nine months ended 30 September 2020, comparing to RMB10,240,000 for the same period in 2019.

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 ITO film and Smart Light-adjusting products is testimonial of sufficient market demand for its products. It is believed that the industry is now recovering from the COVID-19 crisis, our Group has been cautiously expanding its production lines and carrying out research and development projects to cater the expected demand in the future.

Although our first quarterly results have been affected due to the COVID-19 epidemic, our sales has gradually returned to a normal volume since the beginning of the second quarter given that the COVID-19 outbreak has come under control in China since April 2020. Our business has been recovering since the second quarter and our cash flow remains steady. The impact brought by COVID-19 epidemic on the market is continuing, our Directors will closely monitor the development of the situation, maintain a prudent and stable strategy and react proactively to overcome the hard times.

FINANCIAL REVIEW

Revenue

Our revenue was RMB72,953,000 for the nine months ended 30 September 2020, which represented a decrease of RMB33,708,000 or 31.6% from RMB106,661,000 for the same period in 2019. The decrease was primarily attributable to the delay in delivery of sales order of ITO film and Smart Light-adjusting Film as a result of the COVID-19 outbreak.

Cost of Sales and Gross Profit

Our cost of sales was RMB54,286,000 for the nine months ended 30 September 2020, which represented a decrease of RMB11,279,000 or 17.2%, from RMB65,565,000 for the same period in 2019. The decrease in cost of sales mainly reflected the decrease in sales.

Our gross profit decreased by RMB22,429,000 or 54.6%, from RMB41,096,000 for the nine months ended 30 September 2019 to RMB18,667,000 for the nine months ended 30 September 2020. Our gross profit margin decreased from 38.5% for the nine months ended 30 September 2019 to 25.6% for the nine months ended 30 September 2020. The decrease was because of (i) the change in sales mix, of which the proportion of revenue from sales of ITO film (being less profitable than Smart Light-adjusting products) relative to total revenue has increased; and (ii) the higher per-unit fixed costs charged to cost of sales as a result of the decrease in production volume in the first quarter of 2020. Starting from April 2020, our production capacity has gradually resumed normal and the gross profit margin of certain product lines has gradually got back to the pre-outbreak level.

Selling and Distribution Expenses

Our selling and distribution expenses were RMB6,900,000 for the nine months ended 30 September 2020, which represented a decrease of RMB491,000 or 6.6%, from RMB7,391,000 for the same period in 2019. These mainly represented remuneration for sales and marketing employees based on sales performances and expenses relating to the marketing efforts in business promotion and participation in exhibitions. The selling and distribution expenses was 9.5% of the revenue for the nine months ended 30 September 2020, as compared to 6.9% for the same period in 2019.

Administrative Expenses

Our administration expenses were RMB17,602,000 for the nine months ended 30 September 2020, which represented a slight increase of RMB112,000, or 0.6%, from RMB17,490,000 for the same period in 2019. These mainly represented depreciation and research costs. The administrative expenses was 24.1% of the revenue for the nine months ended 30 September 2020, as compared to 16.4% for the same period in 2019.

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 September 2020, 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 30 September 2020 is set out below:

Business Strategy	**Planned use of net proceeds as stated in the Prospectus up to 30 September 2020** *HK$ million*	**Actual use of net proceeds up to 30 September 2020** *HK$ million*	**Actual balances of proceeds up to 30 September 2020** *HK$ million*
Overseas business expansion	9.8	7.0	2.8
Research and development of new materials and products	21.1	18.2	2.9
Purchase of machinery and equipment for production of anti-ambient screen	6.8	6.8	—
Enhancement to wide ITO film	4.3	4.3	—
Sales and marketing effects in the PRC	8.7	8.7	—
Project for full automation of production line for Smart Light-adjusting Products	12.0	12.0	—
Establishment and mass production of domestic laser none cinema systems	3.0	0.8	2.2
Installation of extra-wide production line for smart Light-adjusting Products	11.5	—	11.5
Installation of fully automated production line for pressing of glass	9.0	3.1	5.9
Working capital	7.3	7.3	—

The business strategies as set out in 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 30 September 2020, approximately HK$68.2 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. 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 a dividend for the nine months ended 30 September 2020 (2019: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, we had a total headcount of 117 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.

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

As at 30 September 2020, 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 4)*
Top Access Management Limited ("Top Access")	Beneficial owner	324,324,325	62.37%
China Shuifa Singyes Energy Holdings Limited ("Shuifa Singyes")	Interest in a controlled corporation *(Note 1)*	324,324,325	62.37%
Water Development (HK) Holdings Co., Limited ("Water Development (HK)")	Interest in a controlled corporation *(Note 2)*	324,324,325	62.37%
Shuifa Energy Group Co., Ltd. ("Shuifa Energy")	Interest in a controlled corporation *(Note 2)*	324,324,325	62.37%
Shuifa Group Co., Ltd. ("Shuifa Group")	Interest in a controlled corporation *(Note 2)*	324,324,325	62.37%
AMATA Limited	Beneficial owner	40,000,000	7.69%
Mr. Luo Jingxi	Interest in a controlled corporation *(Note 3)*	40,000,000	7.69%
Kunlun Holdings Group Limited	Beneficial owner	26,021,206	5.00%

Notes:

1. The entire issued share capital of Top Access is legally and beneficially owned by Shuifa Singyes, which is deemed to be interested in the Shares held by Top Access under Part XV of the SFO.

2. Water Development (HK) is the legal and beneficial owner of 1,687,008,585 shares of Shuifa Singyes, representing approximately 66.92% of the issued share capital of Shuifa Singyes. Water Development (HK) is beneficially and wholly-owned by Shuifu Energy, which is in turn beneficially and wholly-owned by Shuifu Group. As such, each of Water Development (HK), Shuifu Energy and Shuifu Group is deemed to be interested in the Shares to which Shuifa Singyes is interested in (through its shareholding in Top Access) under Part XV of the SFO.

3. 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.

4. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 30 September 2020.

Save as disclosed above, as at 30 September 2020, 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 of 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 30 September 2020, 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 Shuifa Singyes *(Note 1)*

Name of Director(s)	**Capacity/ Nature of Interests**	**Number of Shares held**	**Approximate percentage of total registered share capital** *(Note 3)*
Mr. Liu Hongwei	Interest of a controlled corporation	203,802,750 *(Note 2)*	8.08%

Notes:

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

2. 203,802,750 shares of Shuifa Singyes are held by Strong Eagle Holdings Ltd., 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. The percentage is calculated on the basis of 2,521,081,780 shares in issue of Shuifa Singyes as at 30 September 2020.

Save as disclosed above, as at 30 September 2020, 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 and 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

Shuifa Singyes, 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, Shuifa Singyes 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).

Shuifa Singyes has confirmed to the Company that during the nine months ended 30 September 2020 and up to the date of this announcement, Shuifa Singyes and its respective close associates (as defined under the GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

During the nine months ended 30 September 2020 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.

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 nine months ended 30 September 2020 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 Ms. Pan Jianli, Mr. Pan Jianguo and Dr. Li Ling. Ms. Pan Jianli is the chairperson 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 nine months ended 30 September 2020. The 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, 10 November 2020

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. Zhang Chao and Mr. Tang Liwen; and the independent non-executive Directors of the Company are Ms. Pan Jianli, Mr. Pan Jianguo 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).