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China Shuifa Singyes New Materials Holdings Limited

中國水發興業新材料控股有限公司

(formerly known as China Singyes New Materials Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8073)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

CHARACTERISTICS OF THE 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 Shuifa 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 audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 with the comparative figures for the corresponding year ended 31 December 2023.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	109,271	85,353
Gross profit	42,561	22,485
Profit/(Loss) before tax	12,180	(50,836)
Profit/(Loss) attributable to owners of the Company	11,372	(39,779)
Gross profit/(Loss) margin	38.9%	26.3%
Earnings/(Loss) per share		
– Basic and diluted	<u><u>RMB0.022</u></u>	<u><u>RMB(0.076)</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
REVENUE	3	109,271	85,353
Cost of sales		<u>(66,710)</u>	<u>(62,868)</u>
Gross profit		42,561	22,485
Other income and gains, net		2,161	4,795
Selling and distribution expenses		(3,942)	(4,872)
Administrative expenses		(24,614)	(21,310)
Impairment loss on trade receivables		(2,494)	(45,212)
Impairment loss on prepayments, deposits and other receivables		–	(4,860)
Finance costs		(2,178)	(2,070)
Foreign exchange gains, net		<u>686</u>	<u>208</u>
PROFIT/(LOSS) BEFORE TAX		12,180	(50,836)
Income tax (expense)/credit	4	<u>(1,195)</u>	<u>8,480</u>
PROFIT/(LOSS) FOR THE YEAR		<u>10,985</u>	<u>(42,356)</u>
OTHER COMPREHENSIVE INCOME/ (EXPENSE):			
<i>Item that may not be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising on translation of financial statements		<u>425</u>	<u>(11)</u>
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE YEAR		<u>11,410</u>	<u>(42,367)</u>

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
Profit/(loss) attributable to:			
Owners of the Company		11,372	(39,779)
Non-controlling interests		(387)	(2,577)
		<u>10,985</u>	<u>(42,356)</u>
Total comprehensive income/(expense) attributable to:			
Owners of the Company		11,797	(39,790)
Non-controlling interests		(387)	(2,577)
		<u>11,410</u>	<u>(42,367)</u>
EARNINGS/(LOSS) PER SHARE			
Basic and diluted	6	<u>RMB0.022</u>	<u>RMB(0.076)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		61,622	66,904
Deferred tax assets		15,879	16,739
Right-of-use assets		1,316	1,426
Intangible assets		6,469	6,472
		<u>85,286</u>	<u>91,541</u>
CURRENT ASSETS			
Inventories		25,620	15,697
Trade and bills receivables	7	70,906	82,188
Prepayments, deposits and other receivables		19,487	15,403
Restricted cash		6,068	28
Cash and cash equivalents		49,969	44,409
		<u>172,050</u>	<u>157,725</u>
CURRENT LIABILITIES			
Trade payables	8	26,432	28,866
Accruals and other payables		19,688	20,703
Contract liability		2,117	1,836
Short-term borrowings		30,000	11,800
Lease liabilities		77	91
Provision for product warranties		921	732
Tax payable		1,636	1,951
		<u>80,871</u>	<u>65,979</u>
NET CURRENT ASSETS		<u>91,179</u>	<u>91,746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>176,465</u>	<u>183,287</u>

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Long-term borrowings	–	18,000
Lease liabilities	1,575	1,601
Deferred income	1,628	1,834
	<u>3,203</u>	<u>21,435</u>
	-----	-----
NET ASSETS	<u>173,262</u>	<u>161,852</u>
CAPITAL AND RESERVES		
Issued capital	35,415	35,415
Reserves	135,509	123,712
	<u>170,924</u>	<u>159,127</u>
Equity attributable to owners of the Company	170,924	159,127
Non-controlling interests	2,338	2,725
	<u>173,262</u>	<u>161,852</u>
TOTAL EQUITY	<u>173,262</u>	<u>161,852</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which include all International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations, issued by the International Accounting Standards Board (“IASB”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

These consolidated financial statements have been prepared under the historical cost basis. These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but is not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7 Amendments to IFRS 10 and IAS 28	Contracts Referencing Nature — Dependent Electricity ³ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards Amendments to IAS 21 IFRS 18	Annual Improvements to IFRS Accounting Standards — Volume 11 ³ Lack of Exchangeability ² Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management- defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. OPERATING SEGMENT INFORMATION AND REVENUE

Operating segment information

The Group's revenue and contribution to consolidated results are mainly derived from its sale of ITO Film, Smart PDLC products, LED Display and Projection System, which are 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.

Disaggregated revenue information:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Type of goods or services		
ITO Film	22,972	26,910
Smart PDLC products	79,566	48,943
LED Display and Projection system	–	258
Other products	6,733	9,242
	<hr/>	<hr/>
Total revenue from contracts with customers	109,271	85,353
	<hr/> <hr/>	<hr/> <hr/>

Geographical market

Revenue from external customers

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Czech	53,068	20,092
Domestic – Mainland China*	46,873	58,626
Others	9,330	6,635
	<hr/>	<hr/>
Total revenue from contracts with customers	109,271	85,353
	<hr/> <hr/>	<hr/> <hr/>

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

4. INCOME TAX

The major components of income tax expense/(credit) for the year are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax – Mainland China		
Provision for the year	335	44
Deferred tax	860	(8,524)
	<hr/>	<hr/>
Total tax expense/(credit) for the year	1,195	(8,480)
	<hr/> <hr/>	<hr/> <hr/>

5. DIVIDEND

At a meeting of the directors held on 21 March 2025, the directors did not recommend a final dividend for the year ended 31 December 2024 (2023 final dividend: Nil).

6. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit attributable to owners of the Company for the year of RMB11,372,000 (2023: loss attributable to owners of the Company for the year of RMB39,779,000), and the number of 520,000,000 (2023: 520,000,000) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amount in respect of a dilution as the exercise price of the Company's outstanding 4,360,000 share options was higher than the average market price of the Company's shares for the year ended 31 December 2024 (2023: 4,360,000 share options).

7. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on invoice date and net of loss allowance, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	24,846	27,676
3 to 6 months	4,848	11,606
6 to 12 months	9,136	11,033
1 to 2 years	14,338	16,820
2 to 3 years	7,219	14,854
Over 3 years	10,519	199
	<hr/> 70,906 <hr/>	<hr/> 82,188 <hr/>

8. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the purchase recognition date, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	14,779	16,884
6 to 12 months	2,699	3,382
1 to 2 years	5,545	1,166
2 to 3 years	1,807	2,639
Over 3 years	1,602	4,795
	<hr/> 26,432 <hr/>	<hr/> 28,866 <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group carries out research and development on, and manufactures and sells ITO film, Smart Polymer-Dispersed Liquid Crystals (“PDLC”) products, LED Display and Projection System. The Group uses ITO film as one of the main materials for the development of downstream products, namely: (i) PDLC film (i.e. Smart Light-adjusting Film); and (ii) electronically switchable glass (i.e. Smart Light-adjusting Glass). 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.

For the year ended 31 December 2024, The domestic market has begun to recover slightly, but the pace is still slow. We recorded an increase in both revenue and gross profit margin as compared to the same period 2023.

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 approximately RMB23.0 million for the year ended 31 December 2024, which represented a decrease of approximately RMB3.9 million or approximately 14.5%, from approximately RMB26.9 million for the same period in 2023.

Smart PDLC products include Smart Light-adjusting Film and Smart Light-adjusting Glass. 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. 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 PDLC products customers are primarily construction companies and contractors of developers. Revenue from sales of Smart PDLC products was approximately RMB79.6 million for the year ended 31 December 2024, which represented an increase of approximately RMB30.7 million or approximately 62.8%, from approximately RMB48.9 million for the same period in 2023.

Others include sales of other materials and products. The revenue from other products was approximately RMB6.7 million for the year ended 31 December 2024, which represented an decrease of approximately RMB2.5 million, from approximately RMB9.2 million for the same period in 2023.

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. During the year ended 31 December 2024, our total revenue has increased by approximately 28.0% as compared to the same period in 2023. We recorded a profit attributable to owners of the Company of approximately RMB11.4 million for the year ended 31 December 2024, as compared with the loss attributable to owners of the Company of approximately RMB39.8 million for same period in 2023. The profit for the year was mainly resulted from the increase in sales of Smart PDLC products.

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 PDLC products is testimonial of sufficient market demand for its products. In response to the rapidly changing market conditions of the Smart PDLC products, our Group has been diversifying our product range.

Looking into the future, we believe that the competition remains keen in the domestic market. While we are diversifying our business in response to the challenges, our Group will remain cautious in expanding our production lines and carrying out research and development projects to cater the expected demand in the future. In the meantime, our Directors will closely monitor the economic change, maintain a prudent and stable strategy and react proactively to the challenges and opportunities ahead.

FINANCIAL REVIEW

Revenue

Our revenue was approximately RMB109.3 million for the year ended 31 December 2024, which represented an increase of approximately RMB23.9 million, or approximately 28.0% from approximately RMB85.4 million for the same period in 2023. The increase was mainly attributable to the increase of sales volume of smart PDLC products.

Cost of sales and gross profit

Our cost of sales was approximately RMB66.7 million for the year ended 31 December 2024, which represented an increase of approximately RMB3.8 million or approximately 6.0%, from approximately RMB62.9 million for the same period in 2023. The increase in cost of sales mainly reflected the increase in the production capacity during the year.

Our gross profit increased by approximately RMB20.1 million or approximately 89.3%, from approximately RMB22.5 million for the year ended 31 December 2023 to approximately RMB42.6 million for the year ended 31 December 2024. Our gross profit margin increased from approximately 26.3% for the year ended 31 December 2023 to approximately 38.9% for the same period in 2024. The increase was mainly due to the increase in production capacity utilization of various products, the shared costs decreased year-on-year, resulting in an increase in gross profit margin.

Selling and distribution expenses

Our selling and distribution expenses were approximately RMB3.9 million for the year ended 31 December 2024. These expenses mainly included 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 approximately 3.6% of the revenue for the year ended 31 December 2024, as compared to approximately 5.7% for the same period in 2023.

Administrative expenses

Our administration expenses were approximately RMB24.6 million for the year ended 31 December 2024, which represented an increase of approximately RMB3.3 million or approximately 15.5%, from approximately RMB21.3 million for the same period in 2023. These expenses mainly included employee wages and salaries, depreciation and research costs. The administrative expenses was approximately 22.5% of the revenue for the year ended 31 December 2024, as compared to approximately 24.9% for the same period in 2023.

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 December 2024, our Group had short term borrowings of RMB30.0 million and no long term 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.

Capital expenditure

For the year ended 31 December 2024, our capital expenditure amounted to approximately RMB4.9 million (2023: approximately RMB8.0 million) and mainly arose from expenditures for purchase of production machinery.

Gearing ratio

Gearing ratio is calculated by dividing the total liabilities by total equity attributable to owners of the Company at the end of the reporting period. As at 31 December 2024, our gearing ratio remained stable at approximately 49.2% (31 December 2023: approximately 54.9%).

Future plans for material investments or capital assets

Apart from those disclosed in this annual report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this annual report.

Significant investments, acquisitions and disposals

The Group did not make any material acquisition or disposal of subsidiaries, associated companies and joint ventures as well as any significant investments.

Capital commitments

As at 31 December 2024, the Group had capital commitments amounting to approximately RMB4.5 million (2023: approximately RMB4.5 million) in respect of equity investments.

Contingent liabilities

As at 31 December 2024, the Group had no significant contingent liabilities (2023: Nil).

Pledge of assets

As at 31 December 2024, the Group had restricted cash of approximately RMB6.1 million (2023: approximately RMB28,000).

IMPAIRMENT LOSS ON TRADE RECEIVABLES

The Group has recognised approximately RMB2.5 million as impairment losses charged on overdue trade receivables during the year ended 31 December 2024, where most of the outstanding balances have an ageing of over three years. Management of the Group (the “Management”) carry out a valuation of the recoverable amount of trade receivables as at 31 December 2024 (“Valuation Date”).

Circumstances leading to the recognition of the impairment loss

The Group understands that its customers and their repayment ability have been affected by the adverse business environment and the slow recovery of the economy. The customers of these trade receivables consist of various customers with long aging. The Group has been following up the status to understand the latest development of such customers. As at the date of this announcement, the Group had no subsequent cash settlements of the trade receivables with ageing of over three years, the most of which the management of the Group considered unlikely to be recoverable and provided impairment loss.

Value of inputs used or key assumptions adopted in the impairment valuation

With reference to the valuation, the Group carried out an assessment on the recoverable amount of trade receivables and estimated the amount of the expected credit loss (the “ECL”) of trade receivables.

The valuation of trade receivables considered ECL method, in which the ECL is based on the assessments considering exposure at default, probability of default, and expected recovery rates from default, adjusted with forward-looking factor.

The Management is of the opinion that the recoverable amount of overdue trade receivables of the Group with ageing of over 3 years as at the Valuation Date is nil, except for certain balances assessed individually. The ECL was provided with reference to the valuation results conducted by the Management. The Group believed that the above-mentioned valuation basis, value of inputs used and key assumptions applied by the Management were consistent with the current market trends and conditions. Accordingly, allowance for expected credit losses for trade receivables has been made to the Group’s audited consolidated financial statement for the year ended 31 December 2024.

Valuation Method and Reason for its Adoption

The Group’s impairment assessment policy on trade receivables was set out in note 4 to the consolidated financial statements of the Company as included in the 2024 Annual Report.

The Group always recognises lifetime ECL for trade receivables and has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECLs on these items by using a provision matrix, grouped by past due status.

In completing the valuation, reference was made to generally accepted approaches to the valuation of trade receivables, as well as IFRS 9 in relation to the disclosure and presentation, recognition and measurement of financial instruments.

Management of the Group is of opinion that the adopted expected loss method for the assessment of ECL which is commonly used in measuring the ECL of trade receivables. The Management estimated the ECL as the product of three factors: (i) exposure at default; (ii) forecasted probability of default; and (iii) loss given default, if applicable. Recoverable amount of trade receivables is estimated as its exposure of default less the ECL.

With reference to the valuation results, allowance for credit losses for trade receivables of approximately RMB2.5 million was recognised during the year ended 31 December 2024.

Having considered the above, the Directors are of the view that such provisions of impairment were fair and reasonable, and were in line with the prevailing accounting standards.

Actions to recover the trade receivables

While each case may have unique circumstances, the Company generally follows a series of steps to recover outstanding payments. Set out below are the usual actions undertaken by the Company:

1. Analysis and Communication
2. Reminder Notices
3. Payment Negotiation
4. Legal Actions
5. Debt Recovery Agencies

It is important to note that the specific actions taken may vary depending on the nature of the debt, the debtor's financial condition, legal considerations and also cost implications in recovering the debts. The Group's priority is to maintain open lines of communication, explore mutually beneficial solutions, and ensure fair treatment of all parties involved.

By following these usual actions, the Group aims to maximise the chances of recovering trade receivables while preserving relationships with our valued clients. Our dedicated team remains committed to resolving outstanding balances promptly and efficiently.

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 December 2024 is set out below:

Business Strategy	Planned use of net proceeds as stated in the Prospectus up to 31 December 2024 <i>HK\$ million</i>	Actual use of net proceeds up to 31 December 2024 <i>HK\$ million</i>	Actual balances of proceeds up to 31 December 2024 <i>HK\$ million</i>	Expected timeline for unutilized net proceeds
Overseas business expansion	9.8	9.8	–	N/A
Research and development of new materials and products	21.2	21.2	–	N/A
Purchase of machinery and equipment for production of anti-ambient screen	6.8	6.8	–	N/A
Enhancement to wide ITO film	4.3	4.3	–	N/A
Sales and marketing effects in the PRC	8.7	8.7	–	N/A
Project for full automation of production line for Smart Light-adjusting Products	12.0	12.0	–	N/A
Establishment and mass production of domestic laser home cinema systems	3.0	3.0	–	N/A
Installation of extra-wide Production line for Smart Light-adjusting Products	11.5	2.3	9.2	by the end of 2025
Installation of fully automated production line for pressing of glass	9.0	4.1	4.9	by the end of 2025
Working capital	7.3	7.3	–	N/A

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 31 December 2024, approximately HK\$79.5 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. Moreover, while the domestic market has begun to recover, the pace remains to be slow. It is the priority of the Group to maintain a healthy financial position and conduct its operations in a prudent and stable manner so as to maintain viability and sustainability. It is therefore the business strategy of the Group to slow down the Group's business plans so as to mitigate short term risks and fluctuations faced by the Group. In response to the rapidly changing business environment, it has also taken more time than expected to look for suitable machinery and equipment producers which could meet our production requirements. Hence, the timeline for utilizing net proceeds allocated for installation of production lines has been postponed accordingly. 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 Directors did not recommend a final dividend (2023: Nil). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

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

As at 31 December 2024, 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 3)
China Shuifa Singyes Energy Holdings Limited ("Shuifa Singyes")	Beneficial owner	324,324,325	62.37%
Water Development (HK) Holdings Co Limited ("Water Development (HK)")	Interest in a controlled corporation (Note 1)	324,324,325	62.37%
Shuifa Group Co., Ltd ("Shuifa Group")	Interest in a controlled corporation (Note 1)	324,324,325	62.37%
AMATA Limited	Beneficial owner	40,000,000	7.69%
Mr. Luo Jingxi	Interest in a controlled corporation (Note 2)	40,000,000	7.69%
Kunlun Holdings Group Limited	Beneficial owner	26,021,206	5.00%

Notes:

1. Water Development (HK) is the legal and beneficial owner of 1,687,008,585 shares of Shuifa Singyes and has a security interest in 180,755,472 shares of Shuifa Singyes, representing approximately 66.92% and 7.17% of the issued share capital in Shuifa Singyes respectively. Water Development (HK) is beneficially and wholly-owned by Shuifa Group. As such, each of Water Development (HK) and Shuifa Group is deemed to be interested in the Shares in which Shuifa Singyes holds under Part XV of the SFO.
2. 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.
3. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, 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 December 2024, 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 position in the Shares

Name of Director	Capacity/Nature of Interests	Number of shares held	Approximate percentage of shareholding <i>(Note 3)</i>
Mr. Zhou Qing	Beneficial Interest	556,000	0.1%
	Share Option	1,000,000	0.19%

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 shareholding <i>(Note 2)</i>
Mr. Zhou Qing	Beneficial interest	229,000	0.009%

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. The percentage is calculated on the basis of 2,521,081,780 shares in issue of Shuifa Singyes as at 31 December 2024.
3. The percentage is calculated on the basis of 520,000,000 in issue of the Company as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, 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 during the year ended 31 December 2024 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.

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

Neither the Company nor its subsidiaries have purchased, sold or redeemed any listed securities of the Company during the year end 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to 31 December 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE

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 (the “CG Code”) as set out in Appendix C.1 to the GEM Listing Rules during the year ended 31 December 2024 and up to the date of this announcement (the “Relevant Period”). The Company is in compliance with Code Provision C.2.1 of the CG Code as the roles of chairman and Chief Executive Officer are separated and not performed by the same individual.

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.

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. Zhang Yumo 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 audited consolidated financial statements of the Group for the year ended 31 December 2024. This final results 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.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 set forth in this announcement have been agreed by the Group's auditor, CL Partners CPA Limited, to the amounts set forth in the Group's audited consolidated financial statements for 2024. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CL Partners CPA Limited on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is available for viewing on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.syeamt.com> and the 2024 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Company and the Stock Exchange in due course.

By order of the Board
China Shuifa Singyes New Materials Holdings Limited
Du Peng
Chairman

Hong Kong, 21 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Du Peng (Chairman), Mr. Zhang Chao and Mr. Zhu Xuping; the non-executive Director of the Company is Mr. Zhou Qing; and the independent non-executive Directors of the Company are Ms. Pan Jianli, Mr. Zhang Yumo and Dr. Li Ling.

This announcement will remain on the "Latest Listed Company Information" 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).