

**CHINA SINGYES NEW MATERIALS HOLDINGS LTD:
THE SHARE PRICE STRUGGLES TO GAIN TRACTION AND,
IF IT CANNOT RISE, IT MUST FALL**

Since China Singyes New Materials Holdings Ltd () (Code: 8073, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd) went public on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), on Friday, July 21, 2017, it has become very evident that its shares are far from being the most sought-after counter by investors.

At about noon, yesterday, its share price was about \$HK1.15, which is just 15 percent more than its Offer/Placing Price Per Share of \$HK1.00.

Since the first day of trading on The GEM, its share price has never risen higher than \$HK1.26.

In the parlance of the stockbrokers, working in equity markets of the world over an extended period of time, if a company's shares cannot rise, there is only one direction in which they can go: Down.

China Singyes New Materials Holdings Ltd, on August 14, 2017, brought out its Interim Results in respect of the First Half of the Current Financial Year, ended June 30, 2017: The Company had incurred a Loss Attributable to Shareholders of one million renminbi (about \$HK1,144,000) (2016: Loss Attributable to Shareholders of about 1.20 million renminbi [about \$HK1.37million]).

(Editor's Note: \$HK1.00 = 0.87422 renminbi.)

The results of the first six months of the Current Financial Year is unlikely to fill existing and prospective investors with a great deal of confidence in this Company's near-term future.

**The Listing On The GEM By Way Of A Share Offer
Of China Singyes New Materials Holdings Ltd**

China Singyes New Materials Holdings Ltd is a spin-off of China Singyes Solar Technologies Holdings Ltd () (Code: 750, Main Board, The Stock Exchange of Hongkong Ltd).

The Company listed on The GEM by way of a Share Offer of 120 million, \$US0.01 Shares at \$HK1.00 per Offer Share.

It published its Share Offer Prospectus on June 30, 2017.

This Prospectus stated that HKSAR Investors (the Public Offer tranche) were Offered 12 million Shares, International Investors (the Placing Share tranche) were Offered 108 million Shares by way of Share Placements, and a Preferential Share Offering – the Reserved Share tranche – of 12 million Shares were Offered to existing shareholders of China Singyes Solar Technologies Holdings Ltd.

On July 20, 2017, Management announced that the Net Proceeds of this call-for-cash had been successful and that the Company had netted about \$HK93.50 million.

The Public Offer tranche, one was told in this announcement, had been '*moderately over-subscribed*' and

the Placing Share tranche had been '*slightly over-subscribed*'.

Pages Seven and Eight of the announcement stated that the net proceeds would be allocated as follows:

- a) Approximately, 43.10 percent, that is about \$HK40.60 million, '*will be used for purchase of machinery and equipment, including for enhancement and automation projects as well as establish new production lines*';
- b) Approximately, 28.80 percent, that is about \$HK27.10 million, '*will be used to research and development of new materials and products*';
- c) Approximately, 10.40 percent, that is about \$HK9.80 million, '*will be used for the purpose of overseas business expansion*';
- d) Approximately, 9.30 percent, that is about \$HK8.70 million, '*will be used for sales and marketing purposes*'; and,
- e) Approximately, 8.40 percent, that is about \$HK7.30 million, '*will be used for general working capital and other general corporate purposes*'.

The Business Of China Singyes New Materials Holdings Ltd

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