Changtian Plastic & Chemical Limited

Changtian Plastic & Chemical Limited (the "Company") was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 November 2007.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Three months ended			Year ended		
	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Unaudited> RMB'000	Change %	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Audited> RMB'000	Change %
Continuing operations						
Revenue	9,977	10,500	(5.0)	39,365	50,790	(22.5)
Cost of sales	(6,728)	(7,115)	(5.4)	(26,457)	(41,821)	(36.7)
Gross profit	3,249	3,385	(4.0)	12,908	8,969	43.9
Other income	73	2,183	(96.7)	3,222	12,696	(74.6)
Selling and distribution costs	(1,099)	(629)	74.7	(2,925)	(2,672)	9.5
Administrative expenses	(7,363)	(5,422)	35.8	(26,902)	(19,388)	38.8
Other losses	-	(15,055)	N/A *	-	(15,055)	N/A *
Loss before income tax	(5,140)	(15,538)	(66.9)	(13,697)	(15,450)	(11.3)
Income tax expense	(42)	(1,947)	(97.8)	(3,083)	(3,862)	(20.2)
Loss for the period/year	(5,182)	(17,485)	(70.4)	(16,780)	(19,312)	(13.1)
Discontinued operations						
Profit for the period/year	-	-	-	-	12,225	N/A *
Loss for the period/year and attributable to the owners of the Company	(5,182)	(17,485)	(70.4)	(16,780)	(7,087)	136.8
Other comprehensive income for the period/year	-	-	-	-	-	-
Total comprehensive income attributable to the owners of the Company	(5,182)	(17,485)	(70.4)	(16,780)	(7,087)	136.8

*N/A – not applicable

Notes:

1. The Company was incorporated in Bermuda under the Bermuda Companies Act 1981 on 29 March 2007 as an exempted company with limited liability and listed on the Main Board of the SGX-ST on 9 November 2007. The principal activity of the Company is investment holding.

2. Loss for the period/ year is arrived at after charging/(crediting) the followings:

	Group					
	Three months ended			Year ended		
	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Unaudited> RMB'000	Change %	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Audited> RMB'000	Change %
Interest income	(74)	(2,183)	(96.6)	(3,222)	(12,696)	(74.6)
Depreciation	(3)	(112)	(97.3)	816	2,215	(63.2)
Exchange loss, net	17	35	(51.4)	16	6	166.7
Amortization of prepaid premium for leasehold land under operating leases	103	103	-	412	413	(0.2)
Impairment losses on property, plant and equipment	-	15,055	(100.0)	-	15,055	(100.0)
(Gain)/loss on disposal of property, plant and equipment, net						
- Continuing operations	-	(5)	(100.0)	-	7	(100.0)
- Discontinued operations	-	-	-	-	(12,225)	(100.0)
Under-provision of income tax in respect of prior years	84	-	N/A *	2,200	-	N/A *

*N/A – not applicable

1(b) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Audited> RMB'000	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Audited> RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Investments in subsidiaries	-	-	125,175	125,175
Property, plant and equipment	948,385	459,193	-	-
Prepaid premium for leasehold land under operating leases	19,391	19,803	-	-
Deposits	27,900	2,924	-	-
	995,676	481,920	125,175	125,175
Current assets				
Inventories	1,917	2,608	-	-
Trade receivables	11,583	12,206	-	-
Prepayments, deposits and other receivables	92,926	17,446	27	175
Tax recoverable	12	1,337	-	-
Due from a subsidiary	-	-	363,440	369,998
Cash and bank balances	65,098	776,431	-	-
	171,536	810,028	363,467	370,173
Current liabilities				
Trade payables	2,662	3,018	-	-
Accruals and other payables	118,038	225,638	2,476	2,567
Tax payable	2,350	2,350	-	-
	123,050	231,006	2,476	2,567
Net current assets	48,486	579,022	360,991	367,606
Non-current liabilities				
Deferred tax liabilities	4,650	4,650	-	-
Net assets	1,039,512	1,056,292	486,166	492,781
EQUITY				
Equity attributable to the owners of the Company				
Share capital	166,295	166,295	166,295	166,295
Reserves	873,217	889,997	319,871	326,486
Total equity	1,039,512	1,056,292	486,166	492,781

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	Three months ended		Year ended	
	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Unaudited> RMB'000	31/12/2016 <Unaudited> RMB'000	31/12/2015 <Audited> RMB'000
Cash flows from operating activities				
(Loss)/profit before income tax				
- from continuing operations	(5,140)	(15,538)	(13,697)	(15,450)
- from discontinued operations	-	-	-	12,225
Loss before income tax, total	(5,140)	(15,538)	(13,697)	(3,225)
Adjustments for:				
Interest income	(74)	(2,183)	(3,222)	(12,696)
Depreciation of property, plant and equipment	(3)	(112)	816	2,215
Net gains on disposals of property, plant and equipment from discontinued operations	-	-	-	(12,225)
Net (gains)/losses on disposals of property, plant and equipment from continuing operations	-	(5)	-	7
Amortization of prepaid premium for leasehold land under operating leases	103	103	412	413
Impairment losses on property, plant and equipment	-	15,055	-	15,055
Operating loss before working capital changes	(5,114)	(2,680)	(15,691)	(10,456)
(Increase)/decrease in inventories	(195)	837	691	1,619
(Increase)/decrease in trade receivables	(185)	(1,364)	623	21,751
Decrease/(increase) in prepayments, deposits and other receivables	2,681	(1,488)	(76,280)	(16,449)
Increase/(decrease) in trade payables	229	(2,909)	(356)	(8,530)
(Decrease)/increase in accruals and other payables	(4,378)	(4,784)	(399)	2,657
Cash used in operations	(6,962)	(12,388)	(91,412)	(9,408)
Interest received	74	2,583	4,022	13,896
Income tax (paid)/refunded	(83)	205	(1,758)	(4,412)
Net cash (used in)/generated from operating activities	(6,971)	(9,600)	(89,148)	76
Cash flows from investing activities				
(Increase)/decrease in deposits	(26,275)	57,955	(24,976)	37,982
Decrease in time deposit with initial maturity of not less than three months	-	500,000	-	500,000
Payments for purchases of property, plant and equipment	(19,006)	(111,224)	(597,209)	(234,980)
Net proceeds on disposals of property, plant and equipment	-	8,558	-	12,225
Net cash (used in)/generated from investing activities	(45,281)	455,289	(622,185)	315,227
Net (decrease)/increase in cash and cash equivalents	(52,252)	445,689	(711,333)	315,303
Cash and cash equivalents at beginning of period/year	117,350	330,742	776,431	461,128
Cash and cash equivalents at end of period/year	65,098	776,431	65,098	776,431

Note: During the year ended 31 December 2016, additions of property, plant and equipment amounted to RMB490,008,000 (2015: RMB396,857,000), of which RMB111,676,000 (2015: RMB18,877,000) was unpaid and included under "Accruals and other payables as at 31 December 2016.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group (Three months ended 31 December 2015)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 October 2015 (Unaudited)	166,295	329,523	32,298	102,545	443,116	1,073,777
Loss and total comprehensive income for the period	-	-	-	-	(17,485)	(17,485)
At 31 December 2015 (Unaudited)	166,295	329,523	32,298	102,545	425,631	1,056,292

Group (Year ended 31 December 2015)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2015 (Audited)	166,295	329,523	32,298	102,545	432,718	1,063,379
Loss and total comprehensive income for the year	-	-	-	-	(7,087)	(7,087)
At 31 December 2015 (Unaudited)	166,295	329,523	32,298	102,545	425,631	1,056,292

Group (Three months ended 31 December 2016)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 October 2016 (Unaudited)	166,295	329,523	32,298	102,545	414,033	1,044,694
Loss and total comprehensive income for the period	-	-	-	-	(5,182)	(5,182)
Appropriation to statutory and other reserves	-	-	-	325	(325)	-
At 31 December 2016 (Unaudited)	166,295	329,523	32,298	102,870	408,526	1,039,512

Group (Year ended 31 December 2016)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2016 (Audited)	166,295	329,523	32,298	102,545	425,631	1,056,292
Loss and total comprehensive income for the year	-	-	-	-	(16,780)	(16,780)
Appropriation to statutory and other reserves	-	-	-	325	(325)	-
At 31 December 2016 (Unaudited)	166,295	329,523	32,298	102,870	408,526	1,039,512

Company (Three months ended 31 December 2015)

	Share capital RMB'000	Share premium RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 October 2015 (Unaudited)	166,295	329,523	(1,391)	494,427
Loss and total comprehensive income for the period	-	-	(1,646)	(1,646)
At 31 December 2015 (Unaudited)	166,295	329,523	(3,037)	492,781

Company (Year ended 31 December 2015)

	Share capital RMB'000	Share premium RMB'000	Retained profits/ (accumulated losses) RMB'000	Total equity RMB'000
At 1 January 2015 (Audited)	166,295	329,523	3,442	499,260
Loss and total comprehensive income for the year	-	-	(6,479)	(6,479)
At 31 December 2015 (Unaudited)	166,295	329,523	(3,037)	492,781

Company (Three months ended 31 December 2016)

	Share capital RMB'000	Share premium RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 October 2016 (Unaudited)	166,295	329,523	(8,002)	487,816
Loss and total comprehensive income for the period	-	-	(1,650)	(1,650)
At 31 December 2016 (Unaudited)	166,295	329,523	(9,652)	486,166

Company (Year ended 31 December 2016)

	Share capital RMB'000	Share premium RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2016 (Audited)	166,295	329,523	(3,037)	492,781
Loss and total comprehensive income for the year	-	-	(6,615)	(6,615)
At 31 December 2016 (Unaudited)	166,295	329,523	(9,652)	486,166

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no changes in the Company's share capital for the year ended 31 December 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31/12/2016 <Unaudited>	31/12/2015 <Audited>
Total number of issued shares ('000)	66,000	66,000

There were no treasury shares as at 31 December 2015 and 2016.

1(d)(iv) A statement showing all sale and transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. As at 31 December 2016, the Company does not have any outstanding treasury shares.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have neither been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted all the new/amended International Financial Reporting Standards ("new/amended IFRSs") that became effective on 1 January 2016. Except for the adoption of these new/amended IFRSs, the Group has consistently applied the same accounting policies and methods of computations as stated in the audited financial statements of the Group for the year ended 31 December 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the new/amended IFRSs does not have any material financial impact on the Group's financial statements.

6 Loss per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Three months ended		Year ended	
	31/12/2016 <Unaudited>	31/12/2015 <Unaudited>	31/12/2016 <Unaudited>	31/12/2015 <Audited>
Basic and diluted loss per share				
Continuing operations				
Net loss attributable to the owners of the Company (RMB'000)	(5,182)	(17,485)	(16,780)	(19,312)
Weighted average number of ordinary shares in issue ('000)**	66,000	66,000	66,000	66,000
Loss per share (RMB cents)	(7.85)	(26.49)	(25.42)	(29.26)
Continuing operations and discontinued operations				
Net loss attributable to the owners of the Company (RMB'000)	(5,182)	(17,485)	(16,780)	(7,087)
Weighted average number of ordinary shares in issue ('000)**	66,000	66,000	66,000	66,000
Loss per share (RMB cents)	(7.85)	(26.49)	(25.42)	(10.74)

Diluted loss per share for the three months and years ended 31 December 2015 and 2016 are the same as basic loss per share as there is no potential ordinary share in existence during both periods.

** The weighted average number of ordinary shares for the three months and year ended 31 December 2015 for the purposes of basic and diluted loss per share has been adjusted to reflect the effect of share consolidation, as if the share consolidation had occurred on 1 January 2015.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31/12/2016 <Unaudited>	31/12/2015 <Unaudited>	31/12/2016 <Unaudited>	31/12/2015 <Unaudited>
Net asset value per ordinary share (RMB cents)	1,575.0	1,600.4	736.6	746.6

Net asset value per ordinary share of the Group/Company is calculated based on:

1) The equity attributable to the owners of the Company as at 31 December 2015 and 2016; and
2) The number of ordinary shares of the Company in issue of 65,999,998 as at 31 December 2015 and 2016.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8.1 Review on performance of the Group

	Three months ended					Year ended				
	31/12/2016 RMB'000	% of total	31/12/2015 RMB'000	% of total	% of change	31/12/2016 RMB'000	% of total	31/12/2015 RMB'000	% of total	% of change
Revenue										
Adhesive tapes	6,303	63.2	3,827	36.4	64.7	19,099	48.5	24,850	48.9	(23.1)
Release papers	423	4.2	1,016	9.7	(58.4)	2,757	7.0	7,580	14.9	(63.6)
UV cured release film	3,251	32.6	5,657	53.9	(42.5)	17,509	44.5	18,360	36.2	(4.6)
Overall	9,977	100.0	10,500	100.0	(5.0)	39,365	100.0	50,790	100.0	(22.5)
Gross profit										
Adhesive tapes	1,487	45.8	154	4.6	865.6	3,199	24.8	3,026	33.7	5.7
Release papers	39	1.2	119	3.5	(67.2)	321	2.5	854	9.5	(62.4)
UV cured release film	1,723	53.0	3,112	91.9	(44.6)	9,388	72.7	5,089	56.8	84.5
Overall	3,249	100.0	3,385	100.0	(4.0)	12,908	100.0	8,969	100.0	43.9
	%		%		change of % point	%		%		change of % point
Gross profit margin										
Adhesive tapes	23.6		4.0		19.6	16.7		12.2		4.5
Release papers	9.2		11.7		(2.5)	11.6		11.3		0.3
UV cured release film	53.0		55.0		(2.0)	53.6		27.7		25.9
Overall	32.6		32.2		0.4	32.8		17.7		15.1

8.1.1 Revenue

The Group's revenue decreased by 22.5% or RMB11.4 million from RMB50.8 million for the year ended 31 December 2015 ("FY15") to RMB39.4 million for the year ended 31 December 2016 ("FY16"). The domestic economy in the People's Republic of China (the "PRC") was still uncertain and the market demand of our existing products declined in the FY16. Besides, management imposed more stringent controls on credit risk of the customers in the current year. Though the average selling price of all products increased in the FY16, the sales volume of all products reduced over 20% this year. Therefore, overall revenue decreased in the current year.

8.1.2 Cost of sales and gross profit margin

Cost of sales decreased by 36.7% or RMB15.4 million from RMB41.8 million for FY15 to RMB26.4 million for FY16. In the current year, the major raw material prices of adhesive tape and UV cured release film decreased by 9.9% - 32.4%. In additions, the depreciation of plant and machinery was decreased as an impairment loss was made in the FY15. As a result, the gross profit improved by 43.9% or RMB3.9 million and gross profit margin increased by 15.1 percentage point in the current year.

8.1.3 Other income

Other income consists of interest income from bank deposits and greatly decreased by 74.6% from RMB12.7 million for FY15 to RMB3.2 million for FY16. The decrease was mainly due to the decrease in bank balances in the current year.

8.1.4 Selling and distribution costs

Selling and distribution costs, consisted mainly of transportation costs, staff costs and promotional costs. The costs increased by 9.5% from RMB2.7 million for FY15 to RMB2.9 million for FY16. The increase was mainly due to the advertising expenses incurred for the promotion of Nylon-6 chips in the current year.

8.1.5 Administrative expenses

Administrative expenses increased by 38.8% or RMB7.5 million from RMB19.4 million for FY15 to RMB26.9 million for FY16. The increase was mainly due to the increase of pre-operating expenses for the development of Nylon-6 chips business in the current year. Apart from the pre-operating expenses, it also consisted mainly of directors' remuneration,

professional fees and salaries.

8.1.6 Depreciation

Depreciation decreased significantly by 63.2% as an impairment loss of RMB15.1 million had been made on certain property, plant and equipment in FY15 which led to a decrease in depreciation charges in the current year.

8.1.7 Other losses

Other losses in the FY15 represents an impairment loss of RMB15.1 million made to certain property, plant and equipment for manufacturing of UV cured release film as their carrying amounts exceeded recoverable amounts (i.e. value in use) at the balance sheet date. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit in accordance with International Accounting Standard No.36.

8.1.8 Income tax expense

Income tax expense of the Group is calculated based on the statutory income tax rate of 25% of the assessable profits of a wholly-owned subsidiary of the Company, Xiamen Changtian Enterprise Co., Ltd, ("Changtian Enterprise") as determined in accordance with the relevant PRC income tax rules and regulations.

8.1.9 Loss for the year from continuing operations

Loss for the period decreased by 13.1% from RMB19.3 million for FY15 to RMB16.8 million for FY16. This was mainly due to an increase of gross profit and non-recurrence of an impairment loss to certain property, plant and equipment. However, the above effect was partially offset by the decrease of other income and the increase of administrative expenses.

8.1.10 Profit for the year from discontinued operations

The amount represents the gain on disposal of production facilities of 2-A2MPS business in FY15.

8.2 Review on financial position and cash flows of the Group

8.2.1 Non-current assets

Property, plant and equipment ("PPE") increased by 106.5% or RMB489.2 million from RMB459.2 million as at 31 December 2015 to RMB948.4 million as at 31 December 2016. The increase was mainly due to the increase of construction in progress and the acquisition of machinery and equipment for Nylon-6 chips business in the current year. In addition, some equipment for Nylon-6 chips business had not been completely installed at the balance sheet date and increased the balance of deposits from RMB2.9 million as at 31 December 2015 to RMB27.9 million as at 31 December 2016.

8.2.2 Current assets and cash flows

Current assets of the Group decreased significantly from RMB810.0 million as at 31 December 2015 to RMB171.5 million as at 31 December 2016. The customer orders received by the Group decreased in FY16 and the Group continued to maintain the inventory at a minimum level for meeting the customers' demands. Thus, the inventories decreased from RMB2.6 million as at 31 December 2015 to RMB1.9 million as at 31 December 2016. Since the Group's sales revenue decreased in the current year, its trade receivables decreased slightly by 5.1% or RMB0.6 million from RMB12.2 million as at 31 December 2015 to RMB11.6 million as at 31 December 2016. Moreover, the Group increased its acquisitions of machinery and equipment together with construction works in FY16, this led to a corresponding VAT recoverable which could be used to offset against the VAT payables incurred from the future sales revenue or other revenues under the current PRC tax regime. VAT recoverable increased from RMB16.4 million as at 31 December 2015 to RMB92.6 million as at 31 December 2016 and thus this led to an increase in prepayments, deposits and other receivables from RMB17.4 million as at 31 December 2015 to RMB92.9 million as at 31 December 2016.

The Group had RMB89.1 million of net cash used in its operating activities which mainly used for the payments of VAT for acquisitions of machinery and equipment on Nylon-6 chips business in the current year. It also had RMB622.2 million of net cash used in investing activities which mainly used in the payments for purchases of plant and equipment for Nylon-6 chips business in FY16. Hence its cash and cash equivalents decreased significantly from RMB776.4 million as at 31 December 2015 to RMB65.1 million as at 31 December 2016.

8.2.3 Current liabilities

Current liabilities of the Group decreased by 46.7% or RMB108.0 million from RMB231.0 million as at 31 December 2015 to RMB123.0 million as at 31 December 2016. The decrease was mainly attributable to the decrease in accruals and other payables as the Group increased the settlements to the main contractor for Nylon-6 chips factory's construction and to suppliers of machinery and equipment for Nylon-6 chips business in FY16.

8.2.4 Non-current liabilities

Non-current liabilities for the Group as at 31 December 2016 and 2015 represented the deferred tax liabilities in relation to withholding tax on undistributed profits of Changtian Enterprise.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous quarterly results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The construction works of Nylon-6 Chip Plant had completed and the fine-tuning of machinery of Nylon-6 Chips was commenced in early 2017. Commercial production and sales will commence once the Group is satisfied with the results of trial production. As at 31 December 2016, the Group had committed capital expenditure on acquisition of machinery and equipment and construction of plant amounted to approximately RMB33.5 million. In view of the shortfall of cash and cash equivalents with the unpaid capital expenditure, the Group obtained the renewal of written confirmation from its principal banker in the PRC in February 2017, which confirmed the availability of a credit line up to RMB300 million, the terms and conditions of which have not been finalized but include a pledge of the Group's plant and equipment. The Company continues to endeavor to keep shareholders updated on a timely manner as and when any new information is available to us.

The market condition for our existing products remains very competitive and the Company will continue to implement stringent cost control measures to maintain the profitability of existing products.

11. Dividend

a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

c) Date Payable

Not applicable.

d) Books Closure Date

Not applicable.

12. If no dividend has been declared/ recommended, a statement to that effect

No dividend has been declared or recommended for the year ended 31 December 2016.

13. Interested Person Transactions

Interested person transaction carried out during the year ended 31 December 2016:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transaction conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	RMB'000	**RMB'000**
Rental expenses to:		
Xiamen Changtian & Chemical Co., Ltd. ("Xiamen Changtian")	1,150	
Jinyoung (Xiamen) Advanced Materials Co., Ltd. (“Xiamen Jinyoung”)	1,150	
	2,300	N/A

Note: Xiamen Changtian renamed as Jinyoung (Xiamen) Industry Co., Ltd. (“Jinyoung Industry”) in January 2016. Jinyoung Industry transferred the ownership of land and the entitlement to the lease entered into prior years to Xiamen Jinyoung due to group restructuring in July 2016. Mr. Chen Yongfu and Mr. Yang Qingjin, directors of the Company, and Mr. Yang Jie, who is the son of Mr. Yang Qingjin, have beneficial interests of these companies. The annual rent was determined with reference to the valuation report dated 5 March 2007 prepared by an independent valuer, LCH (Asia-Pacific) Surveyors Limited. The annual rental payable after the first three years of the lease is subject to review every three years and maybe adjusted based on an independent valuers' valuation to ascertain prevailing market price. Subsequent to the first three years, the board of directors reviews the market rent occasionally through the internet searching.

14. Confirmation pursuant to Rule 720(1)

Changtian Plastic & Chemical Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set on in Appendix 7.7.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS (This part is not applicable to Q1, Q2, Q3 or Half year Results)

15. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	2016				
	Adhesive tapes RMB'000	Release papers RMB'000	UV cured release film RMB'000	Nylon-6 chips RMB'000	Group RMB'000
Segment revenue:					
Net sales to external customers	19,099	2,757	17,509	-	39,365
Segment results	(495)	(211)	6,001	(14,423)	(9,128)
Interest income					3,222
Unallocated expenses					(3,957)
Directors' emoluments					(3,834)
Loss before income tax					(13,697)

	2015				
	Adhesive tapes RMB'000	Release papers RMB'000	UV cured release film RMB'000	Nylon-6 chips RMB'000	Group RMB'000
Segment revenue:					
Net sales to external customers	24,850	7,580	18,360	-	50,790
Segment results	(946)	(356)	(10,867)	(6,279)	(18,448)
Interest income					12,696
Unallocated expenses					(5,934)
Directors' emoluments					(3,764)
Loss before income tax					(15,450)

16. In view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The decrease of revenue for all segments was due to the deterioration of domestic economy and decrease of market demand. However, the segmental results of UV cured release film had great improvement in FY16. This was mainly due to an impairment loss on its property, plant and equipment made in FY15 which did not recur in FY16.

17. A breakdown of sales

	Latest Financial Year RMB'000	Previous Financial Year RMB'000	% increase/ (decrease)
Sales reported for first half year	19,634	30,917	(36.5)
(Loss)/profit for first half year	(7,160)	12,764	N/M *
Sales reported for second half year	19,731	19,873	(0.7)
Loss for second half year	(9,620)	(19,851)	(51.5)

* N/M - not meaningful

18. A breakdown of the total annual dividend (in dollar value) or the issuer's latest full year and its previous full year.

	Latest Full Year RMB'000	Previous Full Year RMB'000
Ordinary	-	-
Preference	N/A	N/A
Total:	-	-

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Chen Yongfu	53	Brother-in-law of the Chairman and Executive Director, Mr Yang Qingjin	Deputy Chairman and Executive Director. Responsible for the business planning and corporate development of the Group. Appointed on 24 April 2007.	Not applicable.

BY ORDER OF THE BOARD

Yang Qingjin
Executive Chairman
28 February 2017