



China Sky Chemical Fibre Co., Ltd.
 (Co. Reg. No CT-146759)
 (Incorporated in the Cayman Islands)

**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (“FY2015”)**

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

1(a)(i) An income statement and statement of comprehensive income, or statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	FY2015	FY2014	Change
	RMB’000	RMB’000	%
Revenue	1,761,168	2,082,635	(15.44)
Cost of sales	(1,976,321)	(1,966,335)	0.51
Gross (loss)/profit	(215,153)	116,300	NM
Other operating income	25,791	11,021	134.02
Distribution expenses	(12,340)	(12,659)	(2.52)
Administrative expenses	(37,903)	(40,909)	(7.35)
Other operating expenses	(27,063)	(59,195)	(54.28)
(Loss)/Profit before income tax	(266,668)	14,558	NM
Income tax expense	-	-	-
(Loss)/Profit, representing total comprehensive income for the year attributable to equity holders of the Company	(266,668)	14,558	NM

NM: Not meaningful.

1. (a) (ii) Other profit and loss items disclosure.

	Group		
	2015	2014	Change
	RMB'000	RMB'000	%
The following items were charged/(credited) to the consolidated statement of comprehensive income:-			
Depreciation of property, plant and equipment	96,307	97,972	(1.69)
Net foreign exchange gain	(1,065)	(315)	238.10
Interest income	(1,986)	(8,253)	(75.94)
Government grant	(20,000)	-	100.00
Amortisation of land use rights	2,170	2,171	(0.05)
Gain on disposal of property, plant and equipment	-	(2,189)	(100.00)
Impairment loss in respect of property, plant and equipment	-	58,240	(100.00)
Inventories written-down	21,711	-	100.00
Provision for restoration	4,395	-	100.00

NM: Not meaningful.

1. (b)(i) 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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets				
Cash and cash equivalents	279,294	594,308	47	47
Trade and other receivables	447,351	507,502	-	-
Inventories	285,479	67,326	-	-
	1,012,124	1,169,136	47	47
Non-current assets				
Investment in subsidiaries	-	-	283,355	283,355
Property, plant and equipment	1,064,508	1,160,815	-	-
Land use rights	95,019	97,189	-	-
Trade and other receivables	-	-	893,145	899,231
Total non-current assets	1,159,527	1,258,004	1,176,500	1,182,586
Total assets	2,171,651	2,427,140	1,176,547	1,182,633
Current liabilities				
Trade and other payables	70,080	58,901	43,085	44,930
Current tax payable	3,829	3,829	-	-
	73,909	62,730	43,085	44,930
Non-current liability				
Deferred tax liabilities	7,902	7,902	-	-
Total liabilities	81,811	70,632	43,085	44,930
Equity attributable to equity holders of the Company				
Share capital	429,132	429,132	429,132	429,132
Share premium	768,145	768,145	768,145	768,145
Contribution surplus	117,747	117,747	117,747	117,747
Legal reserve	227,050	227,050	-	-
Share-based payments reserve	58,675	58,675	58,675	58,675
Accumulated profits/(losses)	489,091	755,759	(240,237)	(235,996)
Total equity	2,089,840	2,356,508	1,133,462	1,137,703
Total liabilities and equity	2,171,651	2,427,140	1,176,547	1,182,633

1. (b)(ii) Aggregate amount of group's borrowings and debt securities.

	Group			
	As at 31/12/2015		As at 31/12/2014	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

Details of any collaterals

Not applicable.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	2015	2014
	RMB'000	RMB'000
<u>Cash flows from operating activities</u>		
(Loss)/Profit before income tax	(266,668)	14,558
Adjustments for :-		
Depreciation of property, plant and equipment	96,307	97,972
Amortisation of land use rights	2,170	2,171
Impairment loss recognised in respect of property, plant and equipment	-	58,240
Inventories written-down	21,711	-
Provision for restoration	4,395	-
Interest income	(1,986)	(8,253)
Gain on disposal of property, plant and equipment	-	(2,189)
Operating cash flows before movements in working capital	(144,071)	162,499
Inventories	(239,864)	55,174
Trade and other receivables	60,151	101,503
Trade and other payables	6,784	(3,006)
Cash (used in)/generated from operations	(317,000)	316,170
Income tax paid	-	-
Net cash (used in)/generated from operating activities	(317,000)	316,170
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	-	(1,918)
Proceeds from disposal of property, plant and equipment	-	4,410
Interest received	1,986	8,253
Net cash generated from investing activities	1,986	10,745
Net (decrease)/increase in cash and cash equivalents	(315,014)	326,915
Cash and cash equivalents at beginning of the year	594,308	267,393
Cash and cash equivalents at end of the year	279,294	594,308

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY	Share capital RMB'000	Share Premium RMB'000	Contri- bution surplus RMB'000	Legal reserve RMB'000	Share- based payment reserve RMB'000	Accumulated profits/(losses) RMB'000	Total RMB'000
Group							
Balance at 1 Jan 2014	429,132	768,145	117,747	227,050	58,675	741,201	2,341,950
Total comprehensive income for the year	-	-	-	-	-	14,558	14,558
Balance at 31 Dec 2014	429,132	768,145	117,747	227,050	58,675	755,759	2,356,508
Balance at 1 Jan 2015	429,132	768,145	117,747	227,050	58,675	755,759	2,356,508
Total comprehensive loss for the year	-	-	-	-	-	(266,668)	(266,668)
Balance at 31 Dec 2015	429,132	768,145	117,747	227,050	58,675	489,091	2,089,840
Company							
Balance at 1 Jan 2014	429,132	768,145	117,747	-	58,675	(184,404)	1,189,295
Total comprehensive loss for the year	-	-	-	-	-	(51,592)	(51,592)
Balance at 31 Dec 2014	429,132	768,145	117,747	-	58,675	(235,996)	1,137,703
Balance at 1 Jan 2015	429,132	768,145	117,747	-	58,675	(235,996)	1,137,703
Total comprehensive loss for the year	-	-	-	-	-	(4,241)	(4,241)
Balance at 31 Dec 2015	429,132	768,145	117,747	-	58,675	(240,237)	1,133,462

- 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.**

Share capital

There were no changes in the Company's share capital since 30 September 2015 up to 31 December 2015. The share capital of the Company as at 30 September 2015 and 31 December 2015 is as below:-

	Number of shares	Issued and paid-up capital (RMB)
Issued and fully paid-up ordinary shares as at 30 September 2015 and 31 December 2015	814,576,470	429,132,000
Less : treasury shares	(15,416,121)	-
	<u>799,160,349</u>	<u>429,132,000</u>

Convertibles – share options

As at 31 December 2015, the number of options outstanding was 23,545,000 (31 December 2014: 23,545,000).

Date of grant of options	Exercise price per share	Number of share options			Exercise period
		Options outstanding at 31/12/2014	Options renounced / exercised / cancelled	Options outstanding at 31/12/2015	
01/09/2009	S\$0.32	23,545,000	-	23,545,000	28/08/2010 to 27/08/2019

During 1Q2015, the Company has accepted 80,000 shares surrendered by Mr Huang Zhong Xuan and 15,336,121 shares held through Rock Mart Equities Ltd, the substantial shareholder of the Company following to the civil penalty settlement reach between the Monetary Authority of Singapore and Mr Huang.

As such, number of shares held as treasury shares as at 31 December 2015 was 15,416,121 (31 December 2014: nil). Save as disclosed above, the Company does not have other outstanding convertibles as at 31 December 2015 and 31 December 2014.

- 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.**

The total number of issued ordinary shares excluding treasury shares of the Company as at 31 December 2014 was 814,576,470 and as at 31 December 2015 was 799,160,349.

Number of shares held as treasury shares as at 31 December 2015 was 15,416,121 (31 December 2014: nil).

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

During 1Q2015, the Company has accepted 80,000 shares surrendered by Mr Huang Zhong Xuan and 15,336,121 shares held through Rock Mart Equities Ltd, the substantial shareholder of the Company following to the civil penalty settlement reach between the Monetary Authority of Singapore and Mr Huang.

As such, number of shares held as treasury shares as at 31 December 2015 was 15,416,121 (31 December 2014: nil).

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditor.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.**

Saved as disclosed in Paragraph 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements for the financial year ended 31 December 2014.

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.**

In the current reporting period, the Group adopted all of the new or revised standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and are effective for the first-time adoption during the current financial year. The adoption of these new and revised standards and interpretations has no material impact on the accounting policies and financial statements of the Group.

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

Earnings per ordinary share ("EPS") for the current period after deducting any provision for preference dividends if any:-	Group	
	Year ended 31/12/2015	Year ended 31/12/2014
(Loss)/Profit attributable to equity holders of the Company	(266,668,000)	14,558,000
Weighted average number of ordinary shares	802,623,697	814,576,470
(Loss)/Profit per ordinary share ("EPS") (Basic and diluted) (in RMB cents)	(33.22)	1.79

The basic EPS is calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares issued during the financial period under review.

Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares issued during the financial period under review is adjusted for the effects of all dilutive potential ordinary shares. The Company had no potential dilutive ordinary shares outstanding as at 31 December 2015 and 31 December 2014. The outstanding share options granted under the China Sky Employees' Share Option Scheme have not been included in the calculation of diluted EPS as they are anti-dilutive.

For the purpose of basic and diluted earnings per share computation, the weighted average number of shares for the financial year ended 31 December 2015 and financial year ended 31 December 2014 represents:

	Year ended 31/12/2015	Year ended 31/12/2014
The number of shares issued	814,576,470	814,576,470
The weighted average of shares surrender on 23 March 2015	(11,952,773)	-
Weighted average number of shares	802,623,697	814,576,470

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

	Group		Company	
	Year ended 31/12/2015	Year ended 31/12/2014	Year ended 31/12/2015	Year ended 31/12/2014
Net asset value per ordinary share based on existing issued share capital as at the end of the period (in RMB cents)	261.50	289.29	141.83	139.67
No of ordinary shares	799,160,349	814,576,470	799,160,349	814,576,470

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

8. (a) **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.**

REVIEW OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue which comprised sale of Full Drawn Yarn ("FDY") /High Oriented Yarn ("HOY") and Drawn Texture Yarn ("DTY") decreased by RMB 321.4 million or 15.4% from RMB 2,082.6 million for the financial year ended 31 December 2014 ("FY2014") to RMB 1,761.2 million for the financial year ended 31 December 2015 ("FY2015").

FDY/HOY segment's revenue decreased by RMB 241.9 million or 13.7% from RMB 1,761.5 million in FY2014 to RMB 1,519.6 million in FY2015, whilst DTY segment's revenue decreased RMB 79.5 million or 24.8% from RMB 321.1 million in FY2013 to RMB 241.6 million in FY2015.

The decrease in revenue was mainly due to decrease in selling price both FDY/HOY and DTY revenue segment as compared to corresponding financial year ended 31 December 2014.

Breakdown of the average selling price:

	FY2015 (RMB / tonne)	FY2014 (RMB / tonne)	Variance	%
FDY/HOY segment	15,277	22,941	(7,664)	(33.4)
DTY segment	22,123	29,611	(7,488)	(25.3)

Cost of sales

Cost of sales of the Group increased marginally by RMB 10.0 million or 0.5% from RMB 1,966.3 million in FY2014 to RMB 1,976.3 million in FY2015.

Breakdown of cost of sales:-

	FY2015 (RMB'000)	FY2014 (RMB'000)	Variance (RMB'000)	%
Direct materials	1,741,865	1,744,265	(2,400)	(0.14)
Direct labour	35,031	38,747	(3,716)	(9.59)
Consumable materials	7,891	5,007	2,884	57.60
Depreciation of plant and machineries	90,951	97,349	639	(6.57)
Utilities	100,583	80,967	19,616	24.23
Total	1,976,321	1,966,335	17,023	0.51

Gross (loss)/profit

The Group generated a gross loss of RMB 215.2 million in FY2015 as compared to the gross profit of RMB 116.3 million in FY2014.

The main reason for the Group incurring losses is due to the continuing weak market demand for textile, in particular the nylon market where the textile market is currently facing an oversupply of nylon products and this situation has yet to reach a stabilized stage. This has resulted in falling average selling price of nylon products due to the sluggish downstream demand, coupled with manufacturers trying to clear their excess inventories by lowering their selling price to push their sales, has put further pressure on the already falling average selling price of nylon products.

Accordingly, notwithstanding the declining global crude oil price which has resulted in lower raw materials costs, the sharp decline in our average selling price of nylon products due to reasons mentioned above has more than offset the saving from the lower raw materials costs, resulting in the Group incurring losses.

Other Income Statement Items

Other operating income increased by RMB 14.8 million from RMB 11.0 million in FY2014 to RMB 25.8 million in FY2015. The increase was mainly due to the government grant of RMB 20 million received from the Qingdao Government in respect of the restoration of the plant, partially offset by the decrease in interest income of RMB 6.3 million as a result of redemption of short term deposits from the financial institutions at the end of December 2014, absent of the income from the gain of disposal of property, plant and equipment of RMB 2.2 million and lesser income received from the disposal of scrap materials.

Other operating expenses

Other operating expenses decreased by RMB 32.1 million from RMB 59.2 million in FY2014 to RMB 27.1 million in FY2015. The decrease in other operating expenses was mainly due to absent of impairment loss recognised in respect of property, plant and equipment during the current financial year, partially offset by an inventories written-down of RMB 21.7 million and a provision for restoration of RMB 4.4 million incurred during the current financial year.

In compliance with the Group's policies, the management has carried out the net realisable value test on the existing inventories. As a results, the Management has recognised an inventories written-down of RM 21.7 million during the current financial year.

In view of the subsidiary of the Company, Qingdao Zhongda Chemical Fibre Co., Ltd has signed the land recovery agreement with Qingdao Government. The Company has made a provision of restoration of RMB 4.4 million during the current financial year to demolish all building, annex and facilities on the existing manufacturing plant at Qingdao City, China in order to fulfill the conditions in the land recovery agreement signed on 10 October 2015. Please refer to the Company's announcement made on 17 November 2015 and 24 November 2015 for further information.

(Loss)/Profit before tax

In FY2015, the Group recorded an operating loss before tax of RMB 266.7 million (FY2014: operating profit before tax of RMB 14.6 million).

8. (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF STATEMENTS OF FINANCIAL POSITION

Non-current assets

Carrying amount of property, plant and equipment decreased from RMB 1,160.8 million as at 31 December 2014 to RMB 1,064.5 million as at 31 December 2015. The decrease was mainly due to the annual depreciation charged on property, plant and equipment of RMB 96.3 million during the financial year.

Land use rights decreased from RMB 97.1 million as at 31 December 2014 to RMB 95.0 million as at 31 December 2015. The decrease in land use rights was mainly due to incurred amortisation expenses of RMB 2.1 million during the financial year.

Working capital

The working capital of the Group as at 31 December 2015 and as at 31 December 2014 is set out below:-

(RMB' million)	As at 31 December 2015	As at 31 December 2014
Total current assets	1,012.1	1,169.1
Total current liabilities	66.8	62.7
Working capital	945.3	1,106.4

The Group had positive working capital of RMB 945.3 million as at 31 December 2015, as compared to RMB 1,106.4 million as at 31 December 2014.

Current Assets

Trade and other receivables	As at 31 December 2015 (RMB'000)	As at 31 December 2014 (RMB'000)	Variance (RMB'000)	%
Trade receivables	345,399	253,414	91,985	36.3
Other receivables	101,952	254,088	(152,136)	(59.9)
	447,351	507,502	(59,611)	(11.7)

The increase in trade receivables was mainly due to slower collections in view of the the continuous unstable economic conditions in China. The credit terms of the trade receivables are between 30 – 90 days.

The decrease in other receivables was mainly due to;

- Decrease in advance payments to supplier for the purchase of raw materials of RMB 217.2 milliom; and
- Increase in value added tax receivables of RMB 64.6 million. The VAT receivables will be used to offset against the VAT payables incurred for subsequent sales.

Inventories	As at 31 December 2015 (RMB'000)	As at 31 December 2014 (RMB'000)	Variance (RMB'000)	%
Raw materials	127,936	11,255	116,681	NM
Finished goods	157,543	56,071	101,472	181.0
Total	285,479	67,326	229,408	340.7

The increase in both raw materials and finished goods were mainly due to the increase in purchase of raw materials and the increase in productions of finished goods in anticipation of subsequent sales.

Current liabilities

Trade and other payables	As at 31 December 2015 (RMB'000)	As at 31 December 2014 (RMB'000)	Variance (RMB'000)	%
Trade payables	14,334	5,613	8,721	155.4
Other payables	55,746	53,288	2,458	4.6
	70,080	58,901	11,179	19.0

The increase in trade payables was mainly due to the increase in purchase of other raw materials.

Other payables consists mainly of provision for staff salaries, bonuses and provident funds as well as accrual of professional fees incurred by the Group.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

In FY2015, the Group's net cash used in operating activities amounted to RMB 317.0 million. This was mainly due to the operating loss for the financial year and increase in inventories of RMB 239.8 million, partially offset by the cash inflows arising from decreases in trade and other receivables of RMB 60.1 million and trade and other payables of RMB 6.8 million.

Net cash generated from investing activities amounted to RMB 2.0 million as a result of the interest received during the current financial year.

As a result of the above, there was a net decrease of RMB 315.0 million in cash and cash equivalents, from RMB 594.3 million as at 31 December 2014 to RMB 279.3 million as at 31 December 2015.

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

The results for the financial year ended 31 December 2015 is in line with the Company's results announcement on 13 November 2015.

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.**

In view of the sluggish overall market in China, the economic environment is challenging and the fluctuation of crude oil prices will have a direct impact on the production cost of the Group. The management will continue to adjust the production structure, develop new quality products and aim for better margin in response to the changing market condition.

The Group is currently exploring new business opportunities that will enhance shareholders' value over long term and will make necessary announcement when there is significant development on the same.

11. **If a decision regarding dividend has been made:**

- (a) **Whether an interim (Final) ordinary dividend has been declared (recommended); and**

No.

- (b) (i) **Amount per share (cents)**

Not applicable.

- (b) (ii) **Previous corresponding period (cents)**

Not applicable.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)**

Not applicable.

- (d) **The date the dividend is payable**

Not applicable.

- (e) **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.

13. **Interested person transaction**

The Group did not obtain a general mandate from shareholders for Interested Person Transactions ("IPTs") and there are no IPTs during the current financial year under review.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segment revenue and results for operating 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.

	FDY/HOY		DTY		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Segment revenue	1,519,543	1,761,569	241,625	321,066	1,761,168	2,082,635
Segment results	(269,949)	61,773	7,940	(41,734)	(262,009)	20,039
Unallocated administrative expenses					(4,659)	(5,481)
(Loss)/Profit after income tax					(266,668)	14,558
Segment assets	1,974,885	2,238,130	196,406	188,404	2,171,291	2,426,534
Unallocated corporate assets					360	606
Total assets					2,171,651	2,724,140
Segment liabilities	66,374	53,379	7,887	7,818	74,261	61,197
Unallocated corporate liabilities					7,550	9,435
Total liabilities					81,811	70,632
Other information						
Interest income	(1,914)	(8,152)	(72)	(101)	(1,986)	(8,523)
Provision for restoration	–	–	4,593	–	4,593	–
Depreciation and amortisation	96,797	85,711	1,680	14,432	98,477	100,143
Additions of property, plant and equipment	–	1,918	–	–	–	1,918
(Gain)/Loss on disposal of property, plant and equipment	–	(2,190)	–	1	–	(2,189)
Impairment loss recognised in respect of property, plant and equipment	–	684	–	57,556	–	58,240
Inventories written- down	20,930	–	781	–	21,711	–

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

See paragraph 8 above.

16. A breakdown of sales

GROUP	FY2015 RMB'000	FY2014 RMB'000	Increase/ (decrease) in %
(a) Sales reported for first half year	880,598	1,025,582	(14.14)
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first half year	(125,475)	64,438	NM
(c) Sales reported for second half year	880,570	1,057,053	(16.70)
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(141,193)	(49,880)	183.07

NM denotes Not Meaningful Ratio

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

No dividend has been declared or recommended for the current financial year ended 31 December 2015 and the previous financial year ended 31 December 2014.

18. 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.

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board confirms that, to the best of our knowledge to date, there is no person occupying a managerial position in the Company, or in any of its principal subsidiaries, who is a relative of a Director or the Chief Executive Officer or a Substantial Shareholder of the Company.

19. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
CHINA SKY CHEMICAL FIBRE CO., LTD.

Song Jian Sheng
Executive Director

Ye Chang Liu
Executive Director

29 February 2016