



Changtian Plastic & Chemical Limited

NEWS RELEASE

CHANGTIAN REPORTS HIGHER PROFIT IN 3Q2014

- Revenue increased 14.8% to RMB 30.8 million
- Economic recovery in China and stable market demand underpinned the improvement in sales for all our products
- Our balance sheet remains strong with net cash of RMB 963.8 million at end September 2014.

(RMB'million)	3QFY14	3QFY13	Change (%)	9MFY14	9MFY13	Change (%)
Revenue	30.8	26.9	14.8	91.5	86.1	6.3
Gross Profit	7.1	3.4	110.9	19.6	9.5	105.7
GP Margin (%)	23.0	12.5	10.5 ppt	21.4	11.0	10.4 ppt
Net Profit	4.1	(8.1)	n.m.	9.9	(6.0)	n.m.
Earnings Per Share* (RMB cents)	0.62	(1.22)	n.m.	1.50	(0.91)	n.m.

*The calculation of EPS is computed on the Group's profit for the period attributable to the owners of the Company divided by 660,000,000 ordinary shares in issue throughout the three and nine months ended 30 September 2014 and 2013.

Singapore, 14 November 2014 – Changtian Plastic & Chemical Limited (“长天实业有限公司”) (“Changtian” or the “Group”) today announced its results for the nine months ended 30 September 2014 (“9MFY14”). Group revenue increased 6.3% to RMB 91.5 million from RMB 86.1 million in the previous corresponding period (“9MFY13”). Net profit of RMB 9.9 million is a reversal from a net loss of RMB 6.0 million in 9MFY13.

For the three months ended 30 September 2014 (“3QFY14”), the Group’s revenue increased 14.8% to RMB 30.8 million from RMB 26.9 million for the three months ended 30 September 2013 (“3QFY13”). Net profit in 3QFY14 was RMB 4.1 million, a reversal from a net loss of RMB 8.1 million in 3QFY13.

The higher revenue was due to higher sales volume in all our product segments.

During 9MFY14, adhesive tapes contributed 56.4% of group revenue or RMB 51.6 million. UV cured release film accounted for 24.9% of overall revenue or RMB 22.7 million. The release papers segment accounted for the remaining 18.7% of total revenue or RMB 17.1 million.

The Group’s gross profit increased 105.7% to RMB 19.6 million in 9MFY13 due to higher revenue, lower raw material prices and significantly lower depreciation charges because of impairment losses made in previous years. Overall gross profit margin improved from 11.0% in 9MFY13 to 21.4% for 9MFY14.

Despite the increase in sales volume, selling and distribution costs rose only marginally by 0.5% to RMB 3.1 million.

Net profit of RMB 9.9 million in 9MFY14, a reversal from a net loss of RMB 6.0 million in 9MFY13, was due to higher gross profit and the absence of impairment losses for the Group’s property, plant and equipment.

As at 30 September 2014, the Group has cash and bank balances of RMB 963.8 million.

Outlook

Executive Chairman of Changtian, Mr Yang Qingjin (杨清金) commented that “the global market continues to fluctuate and market competition for existing products

remains intense. The Company will continue to impose stringent cost controls to maintain profitability.”

The Group had completed the preparatory works on the Nylon Chip Plant, including the geological survey on the Alternate Site in early September 2014. The foundation works for the Nylon Chip has commenced in mid-September 2014 and are expected to be completed in the near future.

The Group had obtained the permit of construction issued by Quanhui Petrochemical Base Development and Construction Headquarters (泉惠石化基地开发建设指挥部) at the new site. At present, the Company expects the procedures of land swap should be completed by end of first quarter of 2015. The Group will provide timely update on further developments of the new business to all shareholders as and when appropriate.

About Changtian

Based in Xiamen, Fujian Province, PRC, Changtian started off as a manufacturer of adhesive tapes before leveraging on its technical expertise to expand into the production of release papers, release film, BOPA film and 2-A2MPS. The Group expanded into the production of UV cured release film in 2008, which has varied applications in the manufacturing process of personal hygiene products.

The Group did not have any production of BOPA film since the fourth quarter of 2010, and has suspended production of 2-A2MPS since the third quarter of 2013.

Changtian has been listed on the SGX Mainboard since 9 November 2007.

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