



Changtian Plastic & Chemical Limited

NEWS RELEASE

- Revenue declines 29.3% to RMB20.3 million while net profit increases 266.4% to RMB13.8 million
- Balance sheet remains strong with net cash of RMB966.1 million at end March 2015.

(RMB'million)	1QFY15	1QFY14	Change (%)
Revenue	20.3	28.7	-29.3
Gross Profit	3.4	6.0	-44.5
GP Margin (%)	16.5	21.1	-4.6ppt
Net Profit	13.8	3.8	266.4
Earnings Per Share* (RMB cents)	2.09	0.57	266.4

*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 months ended 31 March 2015 and 2014.

Singapore, May 12, 2015 – Changtian Plastic & Chemical Limited (“长天实业有限公司”) (“Changtian” or the “Group”) today announced its results for the three months ended 31 March 2015 (“1QFY15”). The Group's net profit increased 185.9% to RMB10.8 million, although revenue decreased 29.3% to RMB20.3 million. The group had a RMB12.2 million net gain on disposal of machinery and equipment for the manufacture of 2-A2MPS in 1QFY15.

Revenue decline for 1QFY15 was due to lower sales volume and lower average selling prices.

For the quarter under review, sales of adhesive tapes declined 28.7% to RMB11.5 million and accounted for 56.9% of total revenue. UV cured release film contributed 25.1% of overall revenue after a 30.3% decline in revenue to RMB5.1 million. Revenue from release papers decreased 29.7% to RMB3.7 million and accounted for 18.0% of group revenue.

Gross profit margin for the Group declined by 4.6 percentage point from 21.1% in 1QFY14 to 16.5% in 1QFY15. Depreciation charges increased 84.5% because earlier impairment losses on plant and machinery were reversed in the fourth quarter of 2014, resulting in higher net book value of plant and machinery in our books. Sales volume of our three product segments decreased by 15.8 to 22.7%, contributing to lower gross profit margin.

In line with the decrease in sales revenue, selling and distribution costs were lower by 16.2% due to lower expenses for transportation and sales commission.

As at 31 March 2015, the Group maintained a net cash position with cash and cash equivalents of RMB966.1 million.

Outlook

Chairman and Executive Director of Changtian, Mr Yang Qingjin (杨清金), said: "The market condition for our products remains very competitive and the company will continue to implement stringent cost control measures to maintain the profitability of existing products."

Construction of the new plant to produce Nylon-6 chips is about 37% completed at end 1QFY2015. The machinery for the new plant are expected to be ready for installation in end May 2015. The Group will make further announcements about development of the new plant at the appropriate point in time.

About Changtian

Based in Xiamen, Fujian Province, the PRC, Changtian started as a manufacturer of adhesive tapes before leveraging on its technical expertise to expand into the production of release papers, BOPA film and 2-A2MPS. In 2008, the Group started the production of UV cured release film 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. The Group suspended the production and sale of 2-A2MPS in the fourth quarter of 2013.

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

ISSUED BY	:	Changtian Plastic & Chemical Limited 18 Xinsheng Road Xinyang Industrial Zone Haicang District Xiamen City, Fujian Province People's Republic of China
CONTACT	:	Mr Tan Khaw Siong, (VP, Corporate Communications & IR) at telephone
DURING OFFICE HOURS	:	9327-3970 (Handphone)
EMAIL	:	tanks@chang-tian.com.cn
