



## Changtian Plastic & Chemical Limited

### NEWS RELEASE

#### CHANGTIAN REPORTS A LOSS IN 2Q2015

- Revenue decreases by 66.8% to RMB10.6 million while net profit reverses into a loss of RMB1.0 million
- Balance sheet remains strong with net cash of RMB857 million at end June 2015.

(RMB'million)	2QFY15	2QFY14	Change (%)	1HFY15	1HFY14	Change (%)
Revenue	10.6	32.0	-66.8	30.9	60.7	-49.1
Gross Profit	1.2	6.4	-80.7	4.6	12.5	-63.2
GP Margin (%)	11.8	20.2	-8.4 ppt	14.9	20.6	-5.7 ppt
Net Profit	(1.0)	2.0	n.m.	12.8	5.8	120.2
Earnings Per Share* (RMB cents)	(1.58)	3.07	n.m.	19.34	8.78	120.2

*\*The calculation of EPS is computed on the Group's profit for the period attributable to the owners of the Company divided by weighted average number of 66,000,000 ordinary shares in issue throughout the three and six months ended 30 June 2015 and 2014. The weighted average number of ordinary shares in issue has been adjusted to reflect the effect of share consolidation, as if the share consolidation had occurred on 1 January 2014.*

Singapore, 13 August 2015 – Changtian Plastic & Chemical Limited (“长天实业有限公司”) (“Changtian” or the “Group”) announced its results for the six months ended 30 June 2015 (“1HFY15”). The Group's net profit increased by 120.2% to RMB12.8 million, while revenue declined by 49.1% to RMB30.9 million.

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For the three months ended 30 June 2015 (“2QFY15”), the Group reverses into a net loss of RMB1.0 million on the back of a 66.8% decrease in revenue to RMB10.6 million.

Revenue decline in 2QFY15 was due to significantly lower customers’ orders for all our products and lower sales prices.

For the quarter under review, sales of adhesive tapes declined by 74.8% to RMB4.6 million and accounted for 43.3% of total revenue. UV cured release film contributed 39.1% of overall revenue after a 44.8% decline in revenue to RMB4.1 million. Revenue from release papers decreased by 70.1% to RMB1.9 million and accounted for 17.6% of group revenue.

Gross profit margin for the Group declined by 8.4 percentage point from 20.2% in 2Q14 to 11.8% in 2Q15 due to lower sales volume and higher depreciation charges.

Selling and distribution costs decreased by 42.7% to RMB0.6 million because of lower sales volume.

As at 30 June 2015, the Group maintained a net cash position with cash and cash equivalents of approximately RMB857.0 million.

## **Outlook**

Chairman and Executive Director of Changtian, Mr Yang Qingjin (杨清金), said: “For our existing products, the global market continues to fluctuate and market competition remains uncertain. The Group will continue to monitor the markets closely for positive sign of industry recovery, as well as impose stringent cost controls to maintain profitability.”

The Group had completed about 55% of the construction works for the Nylon-6 Chip Plant and has committed capital on acquisition of machinery and equipment and construction of plant of approximately RMB352.2 million as of the end of June 2015. The production lines for the Chip have been delivered to our factory, and installation work commenced in early August 2015.

The Group expects completion of land swap deal as mentioned in full year results announcement in February 2015 to be delayed and will continue to provide further update 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.

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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