



Changtian Plastic & Chemical Limited

NEWS RELEASE

CHANGTIAN REPORTS A LOSS IN 3QFY15

- **Revenue falls by 69.6% to RMB 9.4 million**
- **Weak domestic demand and price deflation contributed to the deterioration in sales for all our products**
- **Our balance sheet remains strong with net cash of RMB 830.7 million at end September 2015.**

(RMB'million)	3QFY15	3QFY14	Change (%)	9MFY15	9MFY14	Change (%)
Revenue	9.4	30.8	(69.6)	40.3	91.5	(56.0)
Gross Profit	1.0	7.1	(86.1)	5.6	19.6	(71.5)
GP Margin (%)	10.5	23.0	(12.5) ppt	13.9	21.4	(7.5) ppt
Net Profit	(2.4)	4.1	n.m.	10.4	9.9	5.2
Earnings Per Share* (RMB cents)	(3.58)	6.19	n.m.	15.75	14.97	5.2

**The calculation of EPS is computed on the Group's profit for the period attributable to the owners of the Company divided by 66,000,000 ordinary shares in issue throughout the three and nine months ended 30 September 2015 and 2014, as if the share consolidation had occurred on 1 January 2014.*

Singapore, 12 November 2015 – 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 2015 (“9MFY15”). Group revenue declined 56% to RMB 40.3 million from RMB 91.5 million in the previous corresponding period (“9MFY14”). Net profit increased 5.2% to RMB 10.4 million in 9MFY15 from RMB 9.9 million in 9MFY14.

For the three months ended 30 September 2015 (“3QFY15”), the Group’s revenue declined 69.6% to RMB 9.4 million from RMB 30.8 million for the three months ended 30 September 2014 (“3QFY14”). Net loss in 3QFY15 was RMB 2.4 million, a reversal from a net profit of RMB 4.1 million in 3QFY14.

The lower revenue was due to lower sales volume and price declines in all our product segments.

During 9MFY15, adhesive tapes contributed 52.2% of group revenue or RMB 21.0 million. UV cured release film accounted for 31.5% of overall revenue or RMB 12.7 million. The release papers segment accounted for the remaining 16.3% of total revenue or RMB 6.6 million.

The Group’s gross profit declined 71.5% to RMB 5.6 million in 9MFY15 due to lower revenue. Overall gross profit margin deteriorated from 21.4% in 9MFY14 to 13.9% for 9MFY15.

In line with the decline in sales volume, selling and distribution costs also decreased by 34.3% to RMB 2.0 million in 9MFY15.

Net profit of RMB 10.4 million in 9MFY15 was due to a RMB 12.2 million gain on disposal of property, plant and equipment from discontinued operations.

As at 30 September 2015, the Group has cash and bank balances of RMB 830.7 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 about 68% of the construction works on the Nylon Chip Plant, and committed RMB 364.7 million of capital for machinery and equipment, as well as construction of plant. The Group anticipates the construction of main building and remaining 6 to 7 blocks of office and warehouse should be completed by Chinese New Year 2016 (“CNY2016”). Barring approval from the authorities and the receipt of the respective certificates and safety permits, the Group expects all trial production runs to be completed by 2Q2016. Also, the Group expects the land swap deal to be completed before CNY2016. 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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