



Changtian Plastic & Chemical Limited

NEWS RELEASE

- Revenue declines 52.3% to RMB9.7 million with a net loss of RMB1.8 million
- Balance sheet remains positive with net cash of RMB620.2 million at end March 2016.

(RMB'million)	1QFY16	1QFY15	Change (%)
Revenue	9.7	20.3	-52.3
Gross Profit	3.1	3.4	-7.5
GP Margin (%)	32.0	16.5	+15.5ppt
Net (Loss)/Profit	(1.8)	13.8	n.m.
(Loss)/Earnings Per Share* (RMB cents)	(2.80)	20.92	n.m.

*The calculation of EPS is computed on the Group's (loss)/profit for the period attributable to the owners of the Company divided by 65,999,998 ordinary shares in issue throughout the three months ended 31 March 2016 and 2015.

Singapore, May 12, 2016 – 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 March 31, 2016 (“1QFY16”). The Group reported a loss of RMB1.8 million compared to a profit of RMB13.8 million in the three months ended March 31, 2015 (“1QFY15”). There was a RMB12.3 million gain on disposal of machinery and equipment for the manufacture of 2-A2MPS in 1QFY15.

Revenue decreased 52.3% to RMB9.7 million in 1QFY16. This was due to significantly lower sales volume.

For the quarter under review, sales of adhesive tapes declined 67.1% to RMB3.8 million and accounted for 39.2% of total revenue. UV cured release film contributed 50.8% of overall revenue after a 3.7% decline in revenue to RMB4.9 million. Revenue from release papers decreased 73.5% to RMB1.0 million and accounted for 10.0% of group revenue.

Gross profit margin for the Group improved by 15.5 percentage point from 16.5% in 1QFY15 to 32.0% in 1QFY16. Depreciation charges decreased 84.2% because of impairment losses on plant and machinery recorded in the fourth quarter of 2015.

In line with the decrease in sales revenue, selling and distribution costs were lower by 25.4% due to lower expenses for transportation and sales commission.

As at 31 March 2016, the Group maintained a net cash position with cash and cash equivalents of RMB620.2 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."

For the Nylon-6 Chip Development, the construction works of Nylon-6 Chip Plant had completed around 86% and the Group has the committed capital on acquisition of machinery and equipment and construction of plant of approximately RMB135 million as of the balance sheet date. Renovation of the new plant to produce Nylon-6 chips, including the building and warehouse, as well as the installation of production lines and equipment, is in progress at end of 1QFY16. The Group expects to commence production and sales of Nylon-6 chips in the third quarter of 2016. In addition to the amount of capital commitments stated above, the Group will

have further capital expenditure of approximately RMB398 million for Nylon-6 Chip business which had not been contracted with the suppliers as at 31 March 2016. In view of the shortfall of cash and cash equivalents with the unpaid capital expenditure, the Group had obtained a written confirmation from its principal banker in the PRC, which confirmed the availability of a credit line up to RMB300 million, the terms and conditions of which have not been finalized but include a pledge of the Group's plant and equipment. 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.

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