



Changtian Plastic & Chemical Limited

NEWS RELEASE

CHANGTIAN REPORTS A BIGGER LOSS IN 2Q2016

- Revenue decreased by 6.1% to RMB10.0 million while net loss increased to RMB5.3 million
- Balance sheet remains positive with net cash of RMB356 million at end June 2016.

(RMB'million)	2QFY16	2QFY15	Change (%)	1HFY16	1HFY15	Change (%)
Revenue	10.0	10.6	-6.1	19.6	30.9	-36.5
Gross Profit	3.4	1.2	172.8	6.5	4.6	41.3
GP Margin (%)	34.2	11.8	22.4 ppt	33.1	14.9	18.2 ppt
Net Profit	(5.3)	(1.0)	409.8	(7.2)	12.8	n.m.
Earnings Per Share* (RMB cents)	(8.05)	(1.58)	n.m.	(10.85)	19.34	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 weighted average number of 66,000,000 ordinary shares in issue throughout the three months ended 30 June 2016 and 2015, and throughout the six months ended 30 June 2016 and 2015. The weighted average number of ordinary shares for the three months ended and six months ended 30 June 2015 for the purposes of basic and diluted (loss)/earnings per share has been adjusted to reflect the effect of share consolidation, as if the share consolidation had occurred on 1 January 2015

Singapore, 12 August 2016 – 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 2016 (“1HFY16”). The Group’s performance reversed from a net profit of RMB 12.8m in 1HFY15 to a loss of RMB 7.2 million in 1HFY16 while Group's revenue declined by 36.5% to RMB19.6 million.

For the three months ended 30 June 2016 (“2QFY16”), the Group's loss increased 409.8% to RMB5.3 million on the back of a 6.1% decrease in revenue to RMB10.0 million.

Revenue decline in 2QFY16 was due to significantly lower customers’ orders for our products, mitigated by higher sales prices.

For the quarter under review, sales of adhesive tapes declined by 18.2% to RMB3.8 million and accounted for 37.7% of total revenue. Revenue from release papers decreased by 50.5% to RMB0.9 million and accounted for 9.3% of group revenue. UV cured release film contributed 53.0% of overall revenue after a 27.4% increase in revenue to RMB5.3 million.

Gross profit margin for the Group improved by 22.4 percentage point from 11.8% in 2Q15 to 34.2% in 2Q16 due to lower costs of raw materials and lower depreciation charges.

Selling and distribution costs decreased by 2.6% to RMB0.6 million because of lower sales volume.

As at 30 June 2016, the Group maintained a net cash position with cash and cash equivalents of approximately RMB356.6 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.”

Due to adverse weather in the period under review, construction works for the Nylon-6 Chip Plant have been delayed and completion of the Plant has been postponed to October 2016. The Group had completed only about 89% of the Chip Plant and has committed outstanding capital expenditure of RMB 72.5 million for the Plant at the end of June 2016. The production lines and equipment for the Chip Plant have been installed by end June 2016. The production and sales of Nylon-6 chip are expected to commence in the fourth quarter of 2016. The Group 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.

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

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