CHANGTIAN PLASTIC & CHEMICAL LIMITED

RESPONSE TO SGX QUERY ON THE CHANGTIAN PLASTIC & CHEMICAL LIMITED ANNUAL REPORT 2015

In response to the query from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 11 April 2016 in relation to the Changtian Plastic & Chemical Limited (the "**Company**") Annual Report 2015, the Board of Directors (the "**Board**") of the Company together with its subsidiaries (the "**Group**") wish to provide the following additional information:-

SGX-ST's Query

Pursuant to Guideline 11.3 of the Code of Corporate Governance 2012 (the "**Code**"), the Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) regarding the effectiveness of the company's risk management and internal control systems.

We note on page 25 of the Company's Annual Report that the Company did not disclose whether the Board has received assurance that the financial statements give a true and fair view of the Company's operations and finances. In this respect, please disclose or otherwise explain the reason(s) for the deviation from the Code recommendation.

Company's Response

The Company would like to update the last paragraph of Section (C) on Risk Management and Internal Controls on page 25 of the Annual Report as follows:-

"For the financial year under review, the Chairman and the Financial Controller have provided assurance to the Board that the financial records have been properly maintained, the integrity of the financial statements of the Group which give a true and fair view of the Company's operations and finances and the effectiveness of the Group's risk management and internal control system."

By Order of the Board
Yang Qingjin

Executive Chairman
CHANGTIAN PLASTIC & CHEMICAL LIMITED
12 April 2016