Changtian Plastic & Chemical Limited

Half Year Financial Statements for the Six Months Ended 30 June 2015

Changtian Plastic & Chemical Limited (the "Company") was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 November 2007.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Three months ended			Six months ended		
	30/6/2015 <Unaudited> RMB'000	30/6/2014 <Unaudited> RMB'000	Change %	30/6/2015 <Unaudited> RMB'000	30/6/2014 <Unaudited> RMB'000	Change %
Revenue	10,597	31,956	(66.8)	30,917	60,688	(49.1)
Cost of sales	(9,352)	(25,510)	(63.3)	(26,319)	(48,196)	(45.4)
Gross profit	1,245	6,446	(80.7)	4,598	12,492	(63.2)
Other income	4,184	4,178	0.1	8,377	8,341	0.4
Selling and distribution costs	(619)	(1,080)	(42.7)	(1,443)	(2,063)	(30.1)
Administrative expenses	(4,647)	(4,492)	3.5	(9,203)	(8,549)	7.7
Other operating expenses	-	(1,481)	N/A *	-	(1,481)	N/A *
Profit before income tax from continuing operations	163	3,571	(95.4)	2,329	8,740	(73.4)
Income tax expense	(1,205)	(1,542)	(21.9)	(1,790)	(2,943)	(39.2)
(Loss)/profit for the period from continuing operations, net of tax	(1,042)	2,029	N/M **	539	5,797	(90.7)
Discontinued operations						
Profit for the period from discontinued operations	-	-	-	12,225	-	N/A *
(Loss)/profit for the period and attributable to the owners of the Company	(1,042)	2,029	N/M **	12,764	5,797	120.2
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period and attributable to the owners of the Company	(1,042)	2,029	N/M **	12,764	5,797	120.2

*N/A – not applicable

**N/M – not meaningful

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Notes:

1. The Company was incorporated in Bermuda under the Bermuda Companies Act 1981 on 29 March 2007 as an exempted company with limited liability and listed on the Main Board of the SGX-ST on 9 November 2007. The principal activity of the Company is investment holding.

2. (Loss)/profit for the period is arrived at after charging/(crediting) the followings:

	Group					
	Three months ended			Six months ended		
	30/6/2015 <Unaudited> RMB'000	30/6/2014 <Unaudited> RMB'000	Change %	30/6/2015 <Unaudited> RMB'000	30/6/2014 <Unaudited> RMB'000	Change %
Interest income	(4,184)	(4,189)	(0.1)	(8,377)	(8,341)	0.4
Depreciation of property, plant and equipment	588	521	12.9	1,542	1,038	48.6
Exchange loss, net	13	15	(13.3)	17	4	325.0
Amortization of prepaid premium for leasehold land under operating leases	103	-	N/A *	207	103	101.0
(Gain)/loss on disposal of property, plant and equipment, net						
- Continuing operations	-	-	-	12	-	N/A *
- Discontinued operations	-	-	-	(12,225)	-	N/A *
Write-off of property, plant and equipment	-	1,481	N/A *	-	1,481	N/A *

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30/6/2015 <Unaudited> RMB'000	31/12/2014 <Audited> RMB'000	30/6/2015 <Unaudited> RMB'000	31/12/2014 <Audited> RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Investments in subsidiaries	-	-	125,175	125,175
Property, plant and equipment	266,836	79,613	-	-
Prepaid premium for leasehold land under operating leases	20,009	20,216	-	-
Deposits	23,262	40,906	-	-
Deferred tax assets	3,530	3,530	-	-
	313,637	144,265	125,175	125,175
Current assets				
Inventories	1,492	4,227	-	-
Trade receivables	12,193	33,957	-	-
Prepayments, deposits and other receivables	19,045	2,197	188	27
Due from a subsidiary	-	-	373,161	375,996
Cash and bank balances	857,036	961,128	-	-
	889,766	1,001,509	373,349	376,023
Current liabilities				
Trade payables	2,847	11,548	-	-
Accruals and other payables	115,356	61,104	2,701	1,938
Current tax liabilities	2,057	2,743	-	-
	120,260	75,395	2,701	1,938
Net current assets	769,506	926,114	370,648	374,085
Non-current liabilities				
Deferred tax liabilities	7,000	7,000	-	-
Net assets	1,076,143	1,063,379	495,823	499,260
EQUITY				
Equity attributable to the owners of the Company				
Share capital	166,295	166,295	166,295	166,295
Reserves	909,848	897,084	329,528	332,965
Total equity	1,076,143	1,063,379	495,823	499,260

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	Three months ended		Six months ended	
	30/6/2015 <Unaudited> RMB'000	30/6/2014 <Unaudited> RMB'000	30/6/2015 <Unaudited> RMB'000	30/6/2014 <Unaudited> RMB'000
Cash flows from operating activities				
Profit before income tax				
- from continuing operations	163	3,571	2,329	8,740
- from discontinued operations	-	-	12,225	-
Profit before income tax, total	163	3,571	14,554	8,740
Adjustments for:				
Interest income	(4,184)	(4,189)	(8,377)	(8,341)
Depreciation of property, plant and equipment	588	521	1,542	1,038
Gain on disposal of property, plant and equipment, net	-	-	(12,213)	-
Write-off of property, plant and equipment	-	1,481	-	1,481
Amortization of prepaid premium for leasehold land under operating leases	103	-	207	103
Operating (loss)/profit before working capital changes	(3,330)	1,384	(4,287)	3,021
Decrease/(increase) in inventories	1,174	1,013	2,735	(153)
Decrease/(increase) in trade receivables	10,584	(3,204)	21,764	(3,979)
(Increase)/decrease in prepayments, deposits and other receivables	(7,963)	2,410	(8,098)	2,092
Decrease in trade payables	(1,713)	(802)	(8,701)	(1,783)
Increase in accruals and other payables	3,804	2,029	3,260	3,518
Cash generated from operations	2,556	2,830	6,673	2,716
Interest received	7,975	6,039	8,377	6,441
Income tax paid	(180)	(518)	(2,476)	(2,743)
Net cash generated from operating activities	10,351	8,351	12,574	6,414
Cash flows from investing activities				
Payments for purchases of property, plant and equipment	(100,212)	(682)	(101,135)	(1,301)
Net proceed on disposal of property, plant and equipment	-	-	3,667	-
Increase in deposits	(19,198)	(1,655)	(19,198)	(1,655)
Net cash used in investing activities	(119,410)	(2,337)	(116,666)	(2,956)
Net (decrease)/increase in cash and cash equivalents	(109,059)	6,014	(104,092)	3,458
Cash and cash equivalents at beginning of period	466,095	460,772	461,128	463,328
Cash and cash equivalents at end of period	357,036	466,786	357,036	466,786
Analysis of balances of cash and cash equivalents				
Cash and bank balances	857,036	966,786	857,036	966,786
Less: Time deposits with initial maturity of not less than three months	(500,000)	(500,000)	(500,000)	(500,000)
Cash and cash equivalents	357,036	466,786	357,036	466,786

Note: During the six months ended 30 June 2015, additions of property, plant and equipment amounted to RMB188,777,000, of which RMB50,800,000 was unpaid and included under "Accruals and other payables" as at 30 June 2015 and RMB36,842,000 was re-allocated from deposits in the period. The proceed on disposal of property, plant and equipment amounting to RMB12,500,000 was subject to value-added tax ("VAT") of RMB275,000. As at 30 June 2015, RMB8,750,000 of the proceed was unpaid by the purchaser and included under "Prepayments, deposits and other receivables" and the corresponding VAT liability of RMB192,000 was recorded to "Accruals and other payables".

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group (Three months ended 30 June 2014)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 April 2014 (Unaudited)	166,295	329,523	32,298	100,765	414,648	1,043,529
Profit and total comprehensive income for the period	-	-	-	-	2,029	2,029
At 30 June 2014 (Unaudited)	166,295	329,523	32,298	100,765	416,677	1,045,558

Group (Six months ended 30 June 2014)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2014 (Audited)	166,295	329,523	32,298	100,765	410,880	1,039,761
Profit and total comprehensive income for the period	-	-	-	-	5,797	5,797
At 30 June 2014 (Unaudited)	166,295	329,523	32,298	100,765	416,677	1,045,558

Group (Three months ended 30 June 2015)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 April 2015 (Unaudited)	166,295	329,523	32,298	102,545	446,524	1,077,185
Loss and total comprehensive income for the period	-	-	-	-	(1,042)	(1,042)
At 30 June 2015 (Unaudited)	166,295	329,523	32,298	102,545	445,482	1,076,143

Group (Six months ended 30 June 2015)

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory and other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2015 (Audited)	166,295	329,523	32,298	102,545	432,718	1,063,379
Profit and total comprehensive income for the period	-	-	-	-	12,764	12,764
At 30 June 2015 (Unaudited)	166,295	329,523	32,298	102,545	445,482	1,076,143

Company (Three months ended 30 June 2014)

	Share capital RMB'000	Share premium RMB'000	Retained profits/ (accumulated losses) RMB'000	Total equity RMB'000
At 1 April 2014 (Unaudited)	166,295	329,523	1,077	496,895
Loss and total comprehensive income for the period	-	-	(1,909)	(1,909)
At 30 June 2014 (Unaudited)	166,295	329,523	(832)	494,986

Company (Six months ended 30 June 2014)

	Share capital RMB'000	Share premium RMB'000	Retained profits/ (accumulated losses) RMB'000	Total equity RMB'000
At 1 January 2014 (Audited)	166,295	329,523	2,514	498,332
Loss and total comprehensive income for the period	-	-	(3,346)	(3,346)
At 30 June 2014 (Unaudited)	166,295	329,523	(832)	494,986

Company (Three months ended 30 June 2015)

	Share capital RMB'000	Share premium RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 April 2015 (Unaudited)	166,295	329,523	1,914	497,732
Loss and total comprehensive income for the period	-	-	(1,909)	(1,909)
At 30 June 2015 (Unaudited)	166,295	329,523	5	495,823

Company (Six months ended 30 June 2015)

	Share capital RMB'000	Share premium RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2015 (Audited)	166,295	329,523	3,442	499,260
Loss and total comprehensive income for the period	-	-	(3,437)	(3,437)
At 30 June 2015 (Unaudited)	166,295	329,523	5	495,823

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Pursuant to Special General Meeting of the Company held on 28 April 2015, the Company has completed the consolidation of every ten existing issued ordinary shares in the capital of the Company held by shareholders of the Company into one ordinary share effective as at 9.00 am on 21 May 2015. As a result of the completion of the share consolidation exercise, the number of ordinary shares of the Company is now 66,000,000.

There were no changes in the Company's share capital for the three and six months ended 30 June 2014 and 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30/6/2015	31/12/2014
Total number of issued shares	66,000,000	660,000,000

There were no treasury shares as at 30 June 2015 and 31 December 2014.

1(d)(iv) A statement showing all sale and transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. As at 30 June 2015, the Company does not have any outstanding treasury shares.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have neither been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted all the new/amended International Financial Reporting Standards ("new/amended IFRSs") that became effective on 1 January 2015. Except for the adoption of these new/amended IFRSs, the Group has consistently applied the same accounting policies and methods of computations as stated in the audited financial statements of the Group for the year ended 31 December 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the new/amended IFRSs does not have any material financial impact on the Group's financial statements.

6 (Loss)/earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Three months ended		Six months ended	
	30/6/2015 <Unaudited>	30/6/2014 <Unaudited>	30/6/2015 <Unaudited>	30/6/2014 <Unaudited>
Basic and diluted (loss)/earnings per share				
Continuing operations				
Net (loss)/profit attributable to the owners of the Company (RMB'000)	(1,042)	2,029	539	5,797
Weighted average number of ordinary shares in issue ('000)**	66,000	66,000	66,000	66,000
(Loss)/earnings per share (RMB cents)	(1.58)	3.07	0.82	8.78
Continuing operations and discontinued operations				
Net (loss)/profit attributable to the owners of the Company (RMB'000)	(1,042)	2,029	12,764	5,797
Weighted average number of ordinary shares in issue ('000)**	66,000	66,000	66,000	66,000
(Loss)/earnings per share (RMB cents)	(1.58)	3.07	19.34	8.78

Diluted (loss)/earnings per share for the three months ended and six months ended 30 June 2015 and 30 June 2014 are the same as basic (loss)/earnings per share as there is no potential share in existence during both periods.

** The weighted average number of ordinary shares for the three months ended and six months ended 30 June 2015 and 30 June 2014 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 2014.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	30/6/2015 <Unaudited>	31/12/2014 <Unaudited>	30/6/2015 <Unaudited>	31/12/2014 <Unaudited>
Net asset value per ordinary share (RMB cents)	**1,630.5**	**1,611.2**	**751.2**	**756.5**

Net asset value per ordinary share of the Group/Company is calculated based on:

1) The equity attributable to the owners of the Company as at 30 June 2015 and 31 December 2014; and
2) The number of ordinary shares of the Company is issue of 66,000,000 as at 30 June 2015 and 31 December 2014 for the purposes of net asset value per ordinary share has been adjusted to reflect the effect of share consolidation, as if the share consolidation had occurred on 1 January 2014.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8.1 Review on performance of the Group

	Three months ended					Six months ended				
	30/6/2015 <Unaudited> RMB'000	% of total	30/6/2014 <Unaudited> RMB'000	% of total	% of change	30/6/2015 <Unaudited> RMB'000	% of total	30/6/2014 <Unaudited> RMB'000	% of total	% of change
Revenue										
Adhesive tapes	4,590	43.3	18,214	57.0	(74.8)	16,144	52.2	34,408	56.7	(53.1)
Release papers	1,866	17.6	6,241	19.5	(70.1)	5,529	17.9	11,453	18.9	(51.7)
UV cured release film	4,141	39.1	7,501	23.5	(44.8)	9,244	29.9	14,827	24.4	(37.7)
Total/overall	10,597	100.0	31,956	100.0	(66.8)	30,917	100.0	60,688	100.0	(49.1)
Gross profit										
Adhesive tapes	347	27.9	3,262	50.6	(89.4)	2,410	52.4	6,071	48.6	(60.3)
Release papers	176	14.1	1,111	17.2	(84.2)	685	14.9	2,085	16.7	(67.1)
UV cured release film	722	58.0	2,073	32.2	(65.2)	1,503	32.7	4,336	34.7	(65.3)
Total/overall	1,245	100.0	6,446	100.0	(80.7)	4,598	100.0	12,492	100.0	(63.2)
	%		%		change of % point	%		%		change of % point
Gross profit margin										
Adhesive tapes	7.6		17.9		(10.3)	14.9		17.6		(2.7)
Release papers	9.4		17.8		(8.4)	12.4		18.2		(5.8)
UV cured release film	17.4		27.6		(10.2)	16.2		29.2		(13.0)
Overall	11.8		20.2		(8.4)	14.9		20.6		(5.7)

8.1.1 Revenue

Revenue of the Group decreased by 66.8% or RMB21.3 million from RMB31.9 million for the three months ended 30 June 2014 ("2Q14") to RMB10.6 million for the three months ended 30 June 2015 ("2Q15"). The domestic economy in the People's Republic of China (the "PRC") was slowdown and the customers' orders of all product segments were decreased significantly in the first half of year 2015 ("1H15"). Besides, the selling prices of adhesive tapes and release papers were decreased over 10% and the UV cured release film's selling price was also dropped by 6% in 2Q15. Therefore, overall revenue decreased in the current period.

8.1.2 Cost of sales and gross profit margin

Cost of sales decreased by 63.3% or RMB16.1 million from RMB25.5 million for 2Q14 to RMB9.4 million for 2Q15. In the current period, the major raw material prices decreased over 10% as compared to those in 2Q14. However, the decrease was partly offset by the increase of depreciation of plant and machinery because of the reversal of impairment losses made in the fourth quarter of 2014. As a result, the gross profit greatly decreased by 80.7% and gross profit margin decreased by 8.4 percentage point in the current period.

8.1.3 Other income

Other income is mainly bank interest income for the period.

8.1.4 Selling and distribution costs

Selling and distribution costs, which comprises mainly of transportation costs and staff costs, decreased by 42.7% in 2Q15. Although the transportation costs and staff commission were decreased in line with the decrease of sales revenue in the current period, the staff monthly salaries and rental payment were the fixed costs. Thus, its decreasing rate was lower than the decline of sales revenue in the current period.

8.1.5 Administrative expenses

Administrative expenses increased slightly by 3.5% or RMB0.1 million from RMB4.5 million for 2Q14 to RMB4.6 million for 2Q15. The increase was mainly due to the professional fees incurred for the Company's share consolidation exercise in the current period.

8.1.6 Income tax expense

Income tax expense of the Group is calculated based on the statutory income tax rate of 25% of the assessable profits of a wholly-owned subsidiary of the Company, Xiamen Changtian Enterprise Co., Ltd, ("Changtian Enterprise") as determined in accordance with the relevant PRC income tax rules and regulations.

8.1.7 Loss for the period

The Group recorded a loss of RMB1.0 million for 2Q15 while it had a profit of RMB2.0 million for 2Q14. This was mainly due to significant decrease in gross profit by 80.7% in the current period.

8.2 Review on financial position and cash flows of the Group

8.2.1 Non-current assets

Property, plant and equipment ("PPE") increased by 235.2% or RMB187.2 million from RMB79.6 million as at 31 December 2014 to RMB266.8 million as at 30 June 2015. The increase was mainly due to the increase of construction in progress and the acquisition of machinery and equipment for Nylon-6 chips business in the first half of 2015. In addition, the production lines of Nylon-6 chips had been delivered to the factory during the current period, so the deposits to the suppliers of machinery and equipment had been transferred to PPE and the balance of deposits decreased from RMB40.9 million as at 31 December 2014 to RMB23.3 million as at 30 June 2015.

8.2.2 Current assets and cash flows

Current assets of the Group decreased from RMB1,001.5 million as at 31 December 2014 to RMB890.0 million as at 30 June 2015. The customer orders received by the Group decreased in 2Q15 and the Company's management reviewed the inventory level and revised the minimum level occasionally. Thus, the inventories decreased from RMB4.2 million as at 31 December 2014 to RMB1.5 million as at 30 June 2015. Since the Group's sales revenue decreased in the current period, its trade receivables dropped from RMB34.0 million as at 31 December 2014 to RMB12.2 million as at 30 June 2015. The receivable for disposal of machinery and equipment for 2-A2MPS and the VAT credit on acquisition of production lines increased significantly the prepayments, deposits and other receivables from RMB2.2 million as at 31 December 2014 to RMB19.0 million as at 30 June 2015.

The Group generated net cash inflows of RMB12.6 million from its operating activities and had RMB116.7 million of net cash used in investing activities in 1H15. Hence its cash and cash equivalents decreased from RMB461.1 million as at 31 December 2014 to RMB357.0 million as at 30 June 2015.

8.2.3 Current liabilities

Current liabilities of the Group increased by 59.5% or RMB44.9 million from RMB75.4 million as at 31 December 2014 to RMB120.3 million as at 30 June 2015. The increase was mainly attributable to the increase in other payable to main contractor for progress payments of Nylon-6 chips factory's construction from RMB57.0 million as at 31 December 2014 to RMB107.8 million as at 30 June 2015. The above increase was partly offset by the decrease of trade payables due to the reduction of raw materials purchases.

8.2.4 Non-current liabilities

Non-current liabilities of the Group as at 30 June 2015 and 31 December 2014 represented the deferred tax liabilities in relation to withholding tax on undistributed profits of Changtian Enterprise.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous quarterly results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

For the Nylon-6 Chip Development, the construction works of Nylon-6 Chip Plant had completed around 55% and the Group has the committed capital on acquisition of machinery and equipment and construction of plant of approximately RMB352.2 million as of the balance sheet date. Furthermore, its production lines have been arrived and the installation has been commenced at early August. Besides, the Group expects completion of land swap deal as mentioned in full year results announcement in February 2015 to be delayed. The Board will continue to provide further update to all shareholders as and when appropriate.

As for our existing products, the global market continues to fluctuate and market competition remains uncertain. The Group will continue to monitor closely on positive sign of industry recovery, as well as impose stringent cost controls to maintain profitability.

11. Dividend

a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

c) Date Payable

Not applicable.

d) Books Closure Date

Not applicable.

12. If no dividend has been declared/ recommended, a statement to that effect

No dividend has been declared or recommended for 2Q15.

13. Interested Person Transactions

Interested person transaction carried out during the six months ended 30 June 2015:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transaction conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	RMB'000	**RMB'000**
Rental expenses to Xiamen Changtian Plastic & Chemical Co., Ltd ("Xiamen Changtian")	1,150	N/A

Note: Rental expenses to Xiamen Changtian, in which Mr. Chen Yongfu, a director of the Company, and Ms. Chen Baohua, who is the wife of Mr. Yang Qingjin, a director of the Company, and the sister of Mr. Chen Yongfu, have beneficial interests, were made with reference to the valuation report dated 5 March 2007 prepared by an independent valuer, LCH (Asia-Pacific) Surveyors Limited.

BY ORDER OF THE BOARD

Yang Qingjin
Executive Chairman
13 August 2015

CHANGTIAN PLASTIC & CHEMICAL LIMITED

(Incorporated in the Bermuda)

CONFIRMATION BY THE BOARD
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Yang Qingjin and Qiu Wei Cai, being two directors of Changtian Plastic & Chemical Limited (the "Company"), hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the half year financial results of the Group for the half year ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Yang Qingjin	Qiu Wei Cai
Executive Chairman	Finance Director

Date: 13 August 2015