

TO: COMPANY ANNOUNCEMENTS OFFICE

ASX LIMITED

DATE: 9 September 2014

Cardia Bioplastics wins \$350,000 waste management products supply contract in Nanjing, China



Cardia Bioplastics Limited is pleased to announce that Nanjing Jianye District has extended its supply contract for Cardia waste management products and awarded additional orders of A\$350,000 to be supplied before the end of October. The additional orders are for the supply of Cardia Biohybrid™ kitchen waste bags to the individual households of this region validating the former forecast announced on 17 February 2014 of an A\$1 million annual supply requirement and Cardia Bioplastics as preferred supplier.

Cardia renewable products were validated through the Jiangsu Province Testing Laboratories, with Jianye enforcing the renewable content requirement, all of which standards Cardia products successfully met. Cardia Biohybrid™ kitchen waste bags are made with Cardia's proprietary Biohybrid™ technology that uses less oil, is cost competitive and delivers a lower carbon footprint compared to conventional plastics.

The contract win follows the successful one-year trial of Cardia products in Nanjing's various city districts and initial order placements of A\$250,000 in February 2014. Nanjing Jianye District is the first city district to have moved forward with full commercial roll out of their organic waste diversion programme using Cardia products. Nanjing's other district councils are at various stages of their trial programmes, with several councils expected to progress to full-scale implementation. With a population of over 6 million, Nanjing is actively moving towards organic waste diversion.

The win follows the recent expansion of Cardia's production capability with a move to a new factory in Nanjing. The new factory has increased Biohybrid™ and Compostable bag making capacity to 100 million bags per year, meeting the increasing global demand for Cardia's carry and waste management bags, hygiene and

nappy films and custom products. The new facilities and finished product capacity positions Cardia as a reliable supplier to its Biohybrid™ and Compostable film and bag customers.

Cardia offers certified compostable products through its organic waste management business, which is delivering sales in Australia, New Zealand, Malaysia, Canada, USA, Brazil and the UK.

Please find attached the media release.

Richard Tegoni

Chairman

Cardia Bioplastics Limited

9 September 2014

For Immediate Release

Cardia Bioplastics wins \$350,000 waste management products supply contract in Nanjing, China

- Nanjing Jianye District awards Cardia Bioplastics orders of A\$350,000 and extends its supply contract for waste management products.
- Annual supply requirement forecast for A\$1 million.
- Contract represents 7% of Nanjing City households with potential to expand rollout.
- Significant opportunity to secure additional City Councils in China.
- Continues momentum of growth for Cardia's China business with focus on organic waste management products.

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Dr. Frank Glatz, Managing Director of Cardia Bioplastics said: "We are very excited about the continued growth of the Nanjing Jianye District waste management program. The success of winning these contracts is a result of our superior product technology, validation of product performance and effective supply capability through our new manufacturing plant in Nanjing, China. We feel confident that by the end of this year more China City Councils will be implementing similar programmes."

Mr. Jacky Chen, Cardia Bioplastics Global Director of Sales and Head of China Operations stated: “The increased order validates our product’s quality and sustainability benefits, as well as our strong Government relationships with China City Councils. We look forward to further working with China City Councils towards managing household waste sustainably and reducing their environmental footprint. Our recent move to larger production facilities is certainly reaping rewards.”

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Cardia Biohybrid™ kitchen waste bags in use, enabling organic waste diversion in Nanjing Jianye District in China

About Nanjing Jianye District

Nanjing is the capital of Jiangsu province in eastern China. With a population of over 6 million, Nanjing is the second-largest commercial centre in the East China region. Nanjing Jianye is one of 13 districts of Nanjing City. Jianye is characterized by its long history, its green environment and its commercial leadership position. It is currently being developed into a modern district with a wide range of high technology industries. Nanjing city hosted the 2014 Summer Youth Olympics with its Olympic Sports Centre located and key activities taking place in Jianye District.

About Cardia Bioplastics

Cardia Bioplastics Limited (ASX CODE: CNN) develops, manufactures and markets its patented renewable resource-based materials and finished products derived from Cardia’s proprietary technology for the global packaging and plastic products industries. The company holds a strong patent portfolio and its growth is fuelled by the global trend towards sustainable packaging. Established in Australia in 2002, the company Headquarters and Global Application Development Centre is in Melbourne, Australia. Cardia Bioplastics’ Product Development Centre and manufacturing plant for resins is in Nanjing, China. Cardia’s manufacturing plants for film and bag products are in Nanjing, China and São Paulo, Brazil with further offices in Australia, China, USA, Brazil and Malaysia, and a network of leading distributors across the Americas, Asia and Europe.

www.cardiabioplastics.com

Further information:

Dr Frank Glatz
Managing Director
Cardia Bioplastics
+61 400 930 530
f.glatz@cardiabioplastics.com

Nadya Krienke-Becker
Global Head of Marketing
Cardia Bioplastics
+61 414 672 863
[n.krienke-
becker@cardiabioplastics.com](mailto:n.krienke-becker@cardiabioplastics.com)

Mr Jackie Chen
Global Director of Sales and
Head of China Operations
Cardia Bioplastics
+86 138 1453 1665
j.chen@cardiabioplastics.com