



Anchun International Holdings Ltd.

(Incorporated in Singapore)

(Company registration number: 200920277C)

Unaudited Results for the Fourth Quarter and the Year Ended 31 December 2015

INTRODUCTION

Anchun International Holdings Ltd. ("Anchun") is a leading integrated EPC provider of process technology, design, manufacturing and engineering services to the PRC environmental protection industry, and petrochemical and chemical industries, in particular, ammonia and methanol industries.

Anchun's integrated business model is anchored on strong R&D capabilities and registered patents for our key technologies, and allows us to capture value across the value chain from system design, system manufacturing and project management, and after-sales. Based on core principles of production efficiency, energy saving and environmental protection, our range of integrated chemical systems engineering and technology solutions can be broadly categorised as follows:-

- (i) Chemical systems engineering and technology design services ("**Engineering Services**");
- (ii) Chemical systems and components, including reactors applicable in a wide range of various reactions, pressure vessels and other auxiliary equipment; along with chemical process technologies such as alcohol-hydrocarbon reactor technology, ammonia synthesis reactor technology and methanol synthesis reactor technology, gasification technology and CO shift technology ("**CSC Business**"); and
- (iii) Catalysts and pre-reduced catalysts and other products ("**Catalysts Business**")

Anchun's chemical systems are generally used by our customers to produce ammonia and methanol, which are subsequently used as crucial feedstock in our customers' production system to produce other downstream products such as urea, compound fertilizer, methanol fuel, formaldehyde, dimethyl ether and explosives.

Anchun has received several enterprise awards and accolades, including status of designated company for technological support for China Petroleum & Chemical Industry in Environmental Protection and Green Production (中国石油和化工行业环境保护与清洁生产重点支撑技术单位) and 2013 outstanding technological advancement award (工业科技进步奖) conferred by both China Fertilizer Industry Association (中国氮肥工业协会) and China Petroleum and Chemical Industries Association (中国石油和化学工业联合会).

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1 to Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income (for the Group) together with a comparative statements for the corresponding period of the immediately preceding financial year.

The Group's operations are principally conducted in the People's Republic of China ("PRC"). Accordingly, the consolidated financial statements have been prepared in Chinese Renminbi ("RMB"), being the functional currency of the Company and its subsidiary.

	Group			Group		
	Unaudited	Unaudited	Change	Unaudited	audited	Change
	3 months ended			12 months ended		
31/12/2015	31/12/2014	%	31/12/2015	31/12/2014	%	
	RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	44,566	45,895	-3%	123,505	129,354	-5%
Cost of sales	(26,507)	(30,047)	-12%	(72,686)	(76,118)	-5%
Gross Profit	18,059	15,848	14%	50,819	53,236	-5%
Other item of income						
Finance and other income	412	4,820	-91%	14,063	11,457	23%
Other items of expenses						
Marketing and distribution expenses	(2,318)	(2,845)	-19%	(6,256)	(5,799)	8%
Administrative expenses	(10,754)	(14,899)	-28%	(38,407)	(42,783)	-10%
Research expenses	(841)	(2,519)	-67%	(8,387)	(7,754)	8%
Other operating expense	-	(96)	-100%	-	(96)	-100%
Finance costs	(140)	(281)	-50%	(847)	(1,414)	-40%
Profit before tax	4,418	28	15679%	10,985	6,847	60%
Income tax expense	(872)	(151)	477%	(2,158)	(1,600)	35%
Profit/(loss) for the period/year, representing total comprehensive income for the period attributable to owners of the Company	3,546	(123)	N.M	8,827	5,247	68%

N.M. - not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Profit before tax is arrived at after charging/(crediting) the following:

	Group			Group		
	Unaudited	Unaudited	Change	Unaudited	audited	Change
	3 months ended			12 months ended		
	31/12/2015	31/12/2014	31/12/2015	31/12/2014		
RMB'000	RMB'000	%	RMB'000	RMB'000	%	
Depreciation of property, plant and equipment	3,637	3,356	8%	14,169	12,903	10%
Depreciation of investment property	44	44	0%	176	176	0%
Amortisation of land use rights	91	93	-2%	365	367	-1%
Amortisation of intangible assets	27	1	2600%	73	12	508%
Allowance for /(Write-back of)/impairment of trade receivables, net	840	(1,500)	N.M.	–	(983)	-100%
(Write-back of)/Allowance for prepayment	(3)	96	N.M.	(3)	96	N.M.
Write-off of trade receivables	568	–	N.M.	598	–	N.M.
Allowance for inventory obsolescence	972	4,000	-76%	896	3,912	-77%
Gain on disposal of property, plant and equipment	–	(23)	-100%	(3)	(566)	-99%
Net foreign exchange (gain)/ loss	(87)	99	N.M.	76	(53)	N.M.
Allowance for/(write-back of) after-sale expenses	–	8	-100%	(35)	(28)	25%
Finance income	(741)	(1,845)	-60%	(3,207)	(4,272)	-25%
Finance costs	140	281	-50%	847	1,414	-40%
Performance share plan expenses	46	–	N.M.	168	–	N.M.

N.M. - not meaningful

1(b)(i) Statement of financial position (for company and group), together with comparatives as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited 31/12/2015 RMB'000	Audited 31/12/2014 RMB'000	Unaudited 31/12/2015 RMB'000	Audited 31/12/2014 RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	114,704	121,783	–	–
Intangible assets	293	62	–	–
Land use rights	14,440	14,805	–	–
Deferred tax assets	153	153	–	–
Investment in a subsidiary	–	–	75,166	75,000
Investment property	788	964	–	–
Prepayments	1,788	4,751	–	–
	132,166	142,518	75,166	75,000
Current assets				
Inventories	65,388	71,615	–	–
Trade and other receivables	64,230	59,052	35,766	35,802
Bills receivable	30,129	40,390	–	–
Prepayments	6,250	6,655	85	80
Cash and cash equivalents	155,363	164,684	27,223	29,930
	321,360	342,396	63,074	65,812
Total assets	453,526	484,914	138,240	140,812
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	59,225	89,006	11,074	10,873
Advances from customers	42,648	52,785	–	–
Other liabilities	16,838	19,332	1,084	1,163
Provision for after-sale expenses	–	35	–	–
Income tax payable	7,098	5,034	–	–
	125,809	166,192	12,158	12,036
Net current assets	195,551	176,204	50,916	53,776
Non-current liability				
Deferred tax liabilities	100	100	–	–
	100	100	–	–
Total liabilities	125,909	166,292	12,158	12,036
Net assets	327,617	318,622	126,082	128,776
Equity attributable to owners of the Company				
Share capital	149,278	149,278	149,278	149,278
Employee benefit trust shares	(430)	(430)	(430)	(430)
Other reserves	119,399	117,895	168	–
Accumulated profits/(loss)	59,370	51,879	(22,934)	(20,072)
Total equity	327,617	318,622	126,082	128,776
Total equity and liabilities	453,526	484,914	138,240	140,812

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

The Group has loans from former shareholders of our subsidiary amounting to RMB22.5 million (31 December 2014: RMB44.9 million) as at 31 December 2015 with an interest rate of 2.5% per annum and which are unsecured with no fixed term of repayment.

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

	Group Unaudited 3 months ended		Group Unaudited Audited 12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Note	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before tax	4,418	28	10,985	6,847
<u>Adjustment for:</u>				
Depreciation of property, plant and equipment	3,637	3,356	14,169	12,903
Depreciation of investment property	44	44	176	176
Amortisation of intangible assets	27	1	73	12
Amortisation of land use rights	91	93	365	367
Allowance for/(Write-back of)impairment of trade receivables, net	840	(1,500)	–	(983)
Write-off of trade receivables	568	–	598	–
Allowance for/(write-back of) after-sale expenses	–	8	(35)	(28)
Gain on disposal of property, plant and equipment	–	(23)	(3)	(566)
Allowance for inventory obsolescence	972	4,000	896	3,912
(write-back of)/ Allowance for prepayment	(3)	96	(3)	96
Performance share plan expense	46	–	168	–
Net foreign exchange loss/(gain)	(87)	99	76	(53)
Finance costs	140	281	847	1,414
Finance income	(741)	(1,845)	(3,207)	(4,272)
Operating cash flows before changes in working capital	9,952	4,638	25,105	19,825
<u>Changes in working capital</u>				
Decrease/(increase) in:				
Inventories	12,337	67	5,331	(13,262)
Trade and other receivables	2,175	2,170	(5,268)	(10,328)
Bill receivable	(3,837)	(18,074)	10,261	(18,018)
Prepayments	5,918	(1,351)	1,246	(3,575)
(Decrease)/increase in:				
Trade and other payables	(6,553)	5,951	(8,490)	8,132
Advances from customers	(19,704)	4,381	(10,137)	17,779
Other liabilities	2,851	8,439	(1,080)	4,821
Total changes in working capital	(6,813)	1,583	(8,645)	(14,451)
Cash flows generated from operations	3,139	6,221	16,460	5,374
Interest received	741	1,845	3,207	4,272
Interest paid	–	–	(1,414)	(1,669)
Net cash generated from operating activities	3,880	8,066	18,253	7,977

1c) A statement of cash flows (for the Group), together with a comprehensive statement for the corresponding period of the immediately preceding financial year. (cont'd)

	Group Unaudited 3 months ended		Group Unaudited Audited 12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Investing activities				
Proceed from sale of property, plant and equipment	–	110	56	727
Purchase of Intangible assets - software	(103)	(63)	(304)	(63)
Purchase of property, plant and equipment	(618)	(2,737)	(4,871)	(13,754)
Net cash used in investing activities	721	(2,690)	(5,119)	(13,090)
Financing activity				
Repayment of loans from former shareholders of a subsidiary	–	–	(22,379)	(20,085)
Net cash used in financing activity	–	–	(22,379)	(20,085)
Net increase/(decrease) in cash and cash equivalents	3,159	5,376	(9,245)	(25,198)
Cash and cash equivalents at beginning of period	152,117	159,407	164,684	189,829
Effect of exchange rate changes on cash and cash equivalents	87	(99)	(76)	53
Cash and cash equivalents at end of period	155,363	164,684	155,363	164,684

Note A:

Purchase of property, plant and equipment

	Group Unaudited 3 months ended		Group Unaudited Audited 12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Current period additions to property, plant and equipment	706	5,478	7,143	12,234
Less: Payable to creditors for current period purchases	(712)	(2,087)	(4,240)	(2,455)
Prepayment made in prior period	(216)	(4,404)	(3,239)	(2,775)
Add: Payments for prior period purchase	722	1,635	4,093	1,999
Prepayments made in current period	118	2,115	1,114	4,751
Net cash outflow for purchase of property, plant and equipment	618	2,737	4,871	13,754

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.

Statement of Changes in Equity

Attributable to owners of the Company

	Share Capital	Treasury /employee benefit trust Shares	Performance share plan reserve	Contribution from shareholder	Statutory reserve fund	Statutory reserve fund - safety production reserve	Merger reserve	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group									
Balance at 1 January 2014	149,278	(430)	–	1,725	37,008	2,147	75,000	48,647	313,375
Profit for the year, representing total comprehensive income for the year	–	–	–	–	–	–	–	5,247	5,247
Others									
Transfer to statutory reserve fund - safety production reserve	–	–	–	–	–	1,048	–	(1,048)	–
Transfer to statutory reserve fund	–	–	–	–	967	–	–	(967)	–
Total others	–	–	–	–	967	1,048	–	(2,015)	–
Balance at 31 December 2014	149,278	(430)	–	1,725	37,975	3,195	75,000	51,879	318,622
Group									
Balance at 1 January 2015	149,278	(430)	–	1,725	37,975	3,195	75,000	51,879	318,622
Profit of the year, representing total comprehensive income for the year	–	–	–	–	–	–	–	8,827	8,827
Others									
Grant of equity-settled performance shares to employees	–	–	168	–	–	–	–	–	168
Transfer to statutory reserve – safety production reserve	–	–	–	–	–	982	–	(982)	–
Transfer to statutory reserve fund	–	–	–	–	354	–	–	(354)	–
Total others	–	–	168	–	354	982	–	(1,336)	168
Balance at 31 December 2015	149,278	(430)	168	1,725	38,329	4,177	75,000	59,370	327,617

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.

Statement of Changes in Equity (cont'd)

Attributable to owners of the Company

	Share Capital	Treasury/ Employee benefit trust Shares	Performance share plan reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Company					
Balance at 1 January 2014	149,278	(430)	–	(16,284)	132,564
Loss for the year, representing total comprehensive loss for the year	–	–	–	(3,788)	(3,788)
Balance at 31 December 2014	149,278	(430)	–	(20,072)	128,776
Company					
Balance at 1 January 2015	149,278	(430)	–	(20,072)	128,776
Loss of the year, representing total comprehensive loss for the year	–	–	–	(2,862)	(2,862)
Grant of equity-settled performance shares to employees	–	–	168	–	168
Balance at 31 December 2015	149,278	(430)	168	(22,934)	126,082

N.M. - not meaningful

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.

Ordinary shares

	Number of shares	Amount RMB '000
Ordinary shares including employee benefit trust ("EBT") shares as at 31 December 2015 and 31 December 2014	505,000,000	149,278

Convertibles

The Company did not have outstanding convertibles as at 31 December 2015 and 31 December 2014.

EBT shares

On 30 December 2014, the Company transferred 1,700,000 treasury shares to an EBT managed by a director-related company. The shares will be released to certain employees at the conclusion of the three year vesting period under the Anchun Performance Share Plan 2014. The Company had 1,700,000 EBT shares as at 31 December 2015 and 31 December 2014.

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

	As at 31.12.15	As at 31.12.14
Total number of issued shares excluding treasury/EBT shares	503,300,000	503,300,000

1(d)(iv) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2) Whether the figures have been audited, or reviewed and in accordance with which standard or practices.

The figures have not been audited or reviewed by the Company's 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**

Except for the adoption of the FRSs and Amendments to FRSs applicable for the financial period beginning on or after 1 January 2015, the same accounting policies and methods of computation have been applied. The adoption of new FRSs and Amendments to FRSs did not have any effect on the financial performance or position of the Group and the Company.

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 Group and the Company have adopted all the new FRSs and Amendments to FRSs that are effective for the periods beginning on or after 1 January 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

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

	Group			
	3 months ended 31/12/2015	3 months ended 31/12/2014	12 months ended 31/12/2015	12 months ended 31/12/2014
Profit net of tax attributable to owners of the Company (RMB '000)	3,546	(123)	8,827	5,247
Weighted average number of ordinary shares ('000) on issue applicable to basic EPS	503,300	503,300	503,300	503,300
Basic and diluted earnings per share (RMB cents)	0.7	(0.02)	1.75	1.04

Basic and diluted earnings per share for the 12 months ended 31 December 2015 and 31 December 2014 are computed by dividing the profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares excluding treasury/EBT shares.

The diluted earnings per share are the same as the basic earnings per share as the Company does not have any dilutive potential ordinary shares for the financial years ended 31 December 2015 and 31 December 2014.

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

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net asset value per share (RMB cents per share)	65.09	63.31	25.05	25.59

Net asset value per ordinary share as at 31 December 2015 and as at 31 December 2014 were calculated based on the existing number of shares in issue excluding treasury/EBT shares at the end of the year of 503,300,000 ordinary shares.

- 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.

A) Income Statements

Revenue

12M2015 vs 12M2014

Revenue decreased by RMB5.9 million or 5% from RMB129.4 million in 12M2014 to RMB123.5 million in 12M2015. The decrease was mainly due to the decrease in revenue from our engineering service and CSC business and partially offset by the increase in revenue from catalyst business further described as follows:

Revenue from our Catalyst Business

Revenue from our Catalyst Business increased significantly by RMB8.1 million or 86% from RMB9.4 million in 12M2014 to RMB17.5 million in 12M2015. The increase was mainly due to more orders filled and delivered by our expanded 1,500 tonnes production facility in 12M2015.

Revenue from our Engineering Services

Revenue from our Engineering Services decreased by RMB2.3 million or 16% from RMB13.9 million in 12M2014 to RMB11.6 million in 12M2015, this was mainly due to lower percentage of completion for service contracts during the year.

Revenue from our CSC Business

Revenue from our CSC Business decreased by RMB11.7 million or 11% from RMB106.1 million in 12M2014 to 94.4 million in 12M2015. This decrease was mainly attributable to less chemical equipments delivered in accordance with the progress of customers' project in 12M2015.

4Q2015 vs 4Q2014

The Group's revenue decreased by RMB1.3 million or 3% from RMB45.9 million in 4Q2014 to RMB44.6 million in 4Q2015. This was mainly due to decrease in our CSC and Engineering service sales of RMB1.3 million and RMB0.7 million respectively, partially offset by the increase in catalyst sales of RMB0.7 million in 4Q2015 compared to 4Q2014.

Gross profit and gross profit margin

12M2015 vs 12M2014

Our overall gross profit decreased by RMB2.4 million or 5% from RMB53.2 million in 12M2014 to RMB50.8 million in 12M2015 and our gross profit margin remained constant at 41% in 12M2015.

The movement of our overall gross profit was mainly due to the following:

- 1) The gross profit of our Catalyst business increased significantly by RMB3.9 million from RMB3.9 million in 12M2014 to RMB7.8 million in 12M2015. The increase of gross profit was attributable to the increase in sales revenue;
- 2) The gross profit of our CSC business decreased by RMB5.4 million from RMB40.0 million in 12M2014 to RMB34.6 million in 12M2015, in tandem with the revenue decrease of CSC in 12M2015;

A) Income Statements (cont'd)

Gross profit and gross profit margin (cont'd)

- 3) The gross profit of Engineering Service decreased by RMB1.1 million from RMB9.4 million in 12M2014 to RMB8.3 million in 12M2015. The gross profit decrease was mainly attributable to the revenue decrease in 12M2015.

4Q2015 vs 4Q2014

Our overall gross profit increased by RMB2.2 million or 14% from RMB15.8 million in 4Q2014 to RMB18.1 million in 4Q2015. The increase was mainly attributable to the higher percentage contribution from the sales of proprietary technology equipments which has a higher margin than other equipments in 4Q2015 as compared to 4Q2014, coupled with the increase of catalyst sales revenue in 4Q2015 as compared to 4Q2014.

Finance and other income

12M2015 vs 12M2014

Finance and other income increased by RMB2.6 million or 23% from RMB11.5 million in 12M2014 to RMB14.1 million in 12M2015. The increase was mainly due to the more net gain from sales of equipment arising from research and development activities in 12M2015, partially offset by the decrease in interest income in 12M2015.

4Q2015 vs 4Q2014

Finance and other income decreased significantly by RMB4.4 million or 91% from RMB4.8 million in 4Q2014 to RMB0.4 million in 4Q2015. The decrease was mainly attributable to the less net gain from sales of equipment arising from research and development activities and decrease in interest income in 4Q2015 as compared to 4Q2014.

Marketing and distribution expenses

12M2015 vs 12M2014

Marketing and distribution expenses increased by RMB0.5 million or 8% from RMB5.8 million in 12M2014 to RMB6.3 million in 12M2015. The increase was mainly attributable to the increase in traveling expenses and after sales service expenses.

4Q2015 vs 4Q2014

Marketing and distribution expenses decreased by RMB0.5 million or 19% from RMB2.8 million in 4Q2014 to RMB2.3 million in 4Q2015. The decrease was mainly due to the decrease provision for sales bonuses made in 4Q2015 as compared to 4Q2014.

Administrative expenses

12M2015 vs 12M2014

Administrative expenses decreased by RMB4.4 million or 10% from RMB42.8 million in 12M2014 to RMB38.4 million in 12M2015. The decrease was mainly due to the decrease in allocated overhead and property tax in 12M2015. The decrease was partially offset by the increase in environment protection engineering operation qualification verification expense and the increase in land use tax in 12M2015 compared to 12M2014.

4Q2015 vs 4Q2014

Administrative expenses decreased by RMB4.1 million or 28% from RMB14.9 million in 4Q2014 to RMB10.8 million in 4Q2015. The decrease was mainly attributable due to the provision of bonus and allocation of overhead in 4Q2015 compared to 4Q2014.

A) Income Statements (cont'd)

Research expenses

12M2015 vs 12M2014

The research expenses increased by RMB0.6 million or 8% from RMB7.8 million in 12M2014 to RMB8.4 million in 12M2015. The increase was mainly due to more research expenses incurred in 12M2015 arising from research and development ("R&D") activities compared to 12M2014.

4Q2015 vs 4Q2014

Research expenses decreased by RMB1.7million or 67% from RMB2.5 million in 4Q2014 to RMB0.8 million in 4Q2015, which was mainly attributable to the less research and development ("R&D") activities commenced in 4Q2015 as compared to 4Q2014 as a result of schedule arrangement.

Finance costs

12M2015 vs 12M2014

Finance costs decreased by RMB0.6 million or 40% from RMB1.4 million in 12M2014 to RMB0.8 million in 12M2015. The decrease was mainly due to the decrease in interest expenses as a result of the partial repayment of the loan from the former shareholders of our subsidiary in prior year.

4Q2015 vs 4Q2014

Finance costs decreased by RMB0.1 million or 50% from RMB0.2 million in 4Q2014 to RMB0.1 million in 4Q2015. The decrease was mainly due to the decrease in interest expenses as a result of the partial repayment of the loan from the former shareholders of our subsidiary in prior year.

Income tax expense

12M2015 vs 12M2014

Income tax expense increased by RMB0.6 million or 35% from RMB1.6 million in 12M2014 to RMB2.2 million in 12M2015. The increase was in line with the increase in profit of our subsidiary. Effective tax rate for 12M2015 was 20%.

4Q2015 vs 4Q2014

Income tax expense increased by RMB0.7 million or 477% from RMB0.2 million in 4Q2014 to RMB0.9million in 4Q2015. The increase was in line with the increase in profit of our subsidiary in 4Q2015.

Net profit attributable to owners of the Company

12M2015 vs 12M2014

The net profit attributable to owners of the Company has increased by RMB3.6 million or 68% from a profit of RMB5.2 million in 12M2014 to RMB8.8 million in 12M2015. The increase was mainly due to the increase in finance and other income and decrease in Administrative expenses.

4Q2015 vs 4Q2014

The net profit attributable to owners of the Company has increased by RMB3.7 million from a loss of RMB0.1 million in 4Q2014 to a profit of RMB3.6 million in 4Q2015. The increase was mainly attributable to the increase of gross profit, which was partially offset by the decrease of finance and other income in 4Q2015 as compared to 4Q2014.

B) Balance Sheet Statements

Non-current assets

Non-current assets decreased by RMB10.3 million or 7% from RMB142.5 million as at 31 December 2014 to RMB132.2 million as at 31 December 2015. Non-current assets comprised of property, plant and equipment, investment property, intangible assets, land use rights, deferred tax assets and prepayments for property, plant and equipment.

Property, plant and equipment decreased by RMB7.1million or 6% from RMB121.8 million as at 31 December 2014 to RMB114.7 million as at 31 December 2015, mainly due to depreciation charges during the period of 12M2015.

Current assets

Current assets decreased by RMB21.0 million or 6% from RMB342.4 million as at 31 December 2014 to RMB321.4 million as at 31 December 2015. The decrease was mainly attributable to the decrease in cash and cash equivalents, bills receivable, inventories, and prepayments of RMB9.3 million, RMB10.3 million, RMB6.2 million and RMB0.4 million respectively. The decrease of bills receivable was mainly due to the endorsement payment to vendors, and the decrease of inventories was mainly due to the decrease of raw materials and work in progress. The decrease in current asset was partially offset by the increase in the trade and other receivables of RMB5.2 million, and the increase of trade receivables was mainly due to the debts not due for collection.

Current liabilities

Current liabilities decreased by RMB40.3 million or 24% from RMB166.2 million as at 31 December 2014 to RMB125.8 million as at 31 December 2015. The decrease was mainly attributable to the decrease in trade and other payables, advances from customers, and other liabilities of RMB29.8 million , RMB10.1 million , and RMB2.5 million respectively. The decrease in trade payables and other liabilities were mainly due to payment made to vendors and partial repayments to former shareholders' loan. The decrease in current liabilities was partially offset by the increase in Income tax payable of RMB 2.1million as a result of the income tax accrual with the increase of profit before tax.

Non-current liability

Non-current liability consists of provision of deferred tax liabilities in relation to the withholding tax on the undistributed profits of our subsidiary.

C) Cash Flow Statements

12M2015

Cash and cash equivalents decreased by RMB9.2 million in 12M2015 which was mainly due to net cash used in investing activities of RMB5.1 million for the purchase of property, plant and equipment and intangible assets and net cash used in financing activities of RMB22.4 million for the repayment of loan of former shareholders. The decrease was partially offset by net cash generated in operating activities of RMB18.3 million.

4Q2015

Cash and cash equivalents increased by RMB3.1 million in 4Q2015 which was mainly attributed to net cash generated in operating activities of RMB3.8 million and net cash used in investing activities of RMB0.7 million for the purchase of property, plant and equipment and intangible assets.

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

The Company did not make any forecast and prospect statement in respect of its results for 31 December 2015.

- 10) A commentary at the date of the announcement of the 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.**

Economic and credit growth in the People's Republic of China ("PRC") is expected to remain slow given the PRC government's on-going attempts to restructure the economy and change the economic development pattern in FY2016. As such the Group expects the business environment to remain competitive for the FY2016 and will remain vigilant and respond prudently to any macroeconomic changes. To ensure a sustainable growth path for the business, the Group remains committed to its research and development efforts in a new generation of shift catalyst and new equipment technology. The Group's order book as of 31 December 2015 was approximately RMB144.6 million (30 September 2015: RMB173.0 million).

- 11) Dividend**

(a) Current financial year reported on

The Company does not recommend any dividend for the financial year ended 31 December 2015.

(b) Corresponding period of the immediately preceding financial year

The Company did not recommend or declare any dividend for the financial year ended 31 December 2014.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

- 12) If no dividend has been declared/recommendeded, a statement to that effect**

The Company does not recommend any dividend for the financial period ended 31 December 2015.

- 13) If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

14) Update on usage of IPO proceeds

As at 31 December 2015, the net proceeds from the Company's initial public offering have been utilized as follows:

Usage of IPO Proceeds	Amount allocated	Amount utilized	Balance
	RMB'000	RMB'000	RMB'000
(A) Expand our production facilities and capacities	95,936	17,055	78,881
(B) Enhance our R&D capabilities and widen our range of innovative and cost-effective solution0073	15,479	3,680	11,799
(C) Working capital purposes	22,074	17,071	5,003
Total	133,489	37,806	95,683

15) Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Engineering Services	CSC Business	Catalyst Business	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2015				
Revenue				
External customers	11,623	94,385	17,497	123,505
Total revenue	11,623	94,385	17,497	123,505
Results				
Segment gross profit	8,330	34,647	7,842	50,819
Unallocated finance and other income				14,063
Unallocated expenses, net				(53,897)
Profit before tax				10,985
Income tax expense				(2,158)
Profit for the year				8,827

**ANCHUN INTERNATIONAL HOLDINGS LTD.
UNAUDITED RESULTS FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2015**

	Engineering Services	CSC Business	Catalyst Business	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2014				
Revenue				
External customers	13,898	106,052	9,404	129,354
Total revenue	13,898	106,052	9,404	129,354
Results				
Segment gross profit	9,407	39,964	3,865	53,236
Unallocated finance and other income				11,457
Unallocated expenses, net				(57,846)
Profit before tax				6,847
Income tax expense				(1,600)
Profit for the year				5,247

- 16) **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

See note 8 above.

- 17) **A breakdown of sales**

	Group		
	FY2015	FY2014	Increase/ (Decrease)
	RMB'000	RMB'000	%
(a) Sales reported for the first half of the year	54,643	46,342	18.0%
(b) Operating profit after tax for the first half year	2,924	538	443.5%
(c) Sales reported for the second half of the year	68,862	83,012	-17.0%
(d) Operating profit/(loss) after tax for the second half year	5,903	4,709	25.4%

N.M. - not meaningful

- 18) **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

- 19) Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that, none of the persons occupying managerial positions in Anchun International Holdings Limited (“the Company”) or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

CONFIRMATION BY THE BOARD

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited fourth quarter financial results and for the period ended 31 December 2015 to be false or misleading in any material respects.

By Order of the Board

Xie Ming
Executive Director and CEO
26 February, 2016