

**ANCHUN INTERNATIONAL HOLDINGS LTD.**

Co. Registration Number: 200920277C

Co. Address: 81 Anson Road, Suite 8.20, Singapore 079908

Principal Office: 539 Lusong Road, Changsha Hi-tech Development Zone,
Changsha, Hunan, China**FOR IMMEDIATE RELEASE**

Anchun achieves 68% rise in net profit attributable to shareholders in FY2015

- *Growth momentum of Catalyst business remains strong; Rises 86% year-on-year*
- *Order book remains robust at RMB144.6million as at 31 December 2015*
- *Continues to bank on R&D to drive sustainable growth; Focus on new generation catalyst and new equipment technology*
- *Expects FY2016 to remain challenging*

Financial Highlights (FPE 31 December)

RMB' mil	<u>4Q2015</u>	<u>4Q2014</u>	<u>% Chg</u>	<u>FY2015</u>	<u>FY2014</u>	<u>% Chg</u>
	(3M)	(3M)		(12M)	(12M)	
Revenue	44.6	45.9	-3	123.5	129.4	-5
Gross Profit	18.1	15.8	15	50.8	53.2	-5
Gross Profit Margin (%)	41	35	6 pts	41	41	0 pts
Net Profit Attributable to Shareholders	3.5	(0.1)	N.M.	8.8	5.2	68

N.M - not meaningful

Singapore –26 February 2016 – Mainboard-listed **Anchun International Holdings Ltd.** (“Anchun” or the “**Group**”, or “安淳国际控股有限公司”), a leading integrated chemical systems engineering and technology solutions provider to China’s petrochemical and chemical industries and environmental protection industry, today announced a 68% rise in net profit attributable to shareholders to RMB8.8 million for the financial year ended 31 December 2015 (“**FY2015**”), compared to RMB5.2 million for the financial year ended 31 December 2014 (“**FY2014**”).

Notably, Anchun achieved the baseline improvement despite a 5% dip in its revenue to RMB 123.5 million in FY2015, under challenging business environment in the PRC. The decline in the Group's topline was mainly due to lower sales generated by its Engineering and Chemical Systems and Components ("CSC") businesses, partially offset by the increase in revenue from its Catalyst Business.

Though gross profit dwindled by 5% to RMB50.8 million in FY2015 from RMB53.2 million in FY2014, current year gross profit margin remain constant with FY2014 gross profit margin of 41%.

Overall, the net profit attributable to shareholders was lifted by an 23% surge in the Group's finance and other income from RMB11.5 million in FY2014 to RMB14.1 million in FY2015, as a result of a higher net gain from sales of equipment and new type catalyst arising from its research and development activities and decrease of administrative expenses by 10% or RMB4.4 million from RMB42.8 million in FY2014 to RMB38.4 million in FY2015.

Based on its full year performance, earnings per share of the Group stood at RMB1.75 cents for FY2015 as compared to RMB1.04 cents for FY2014, while its net asset value per share as at 31 December 2015, improved to RMB65.09 cents from RMB63.31 cents as at 31 December 2014.

4Q2015

On a three month basis, the Group reported a net profit attributable to owners of RMB3.5 million for the quarter ended 31 December 2015 ("4Q2015"), compared to a net loss of RMB 0.1 million for the corresponding quarter a year ago ("4Q2014"). The result came on the back of RMB44.6 million in revenue, and higher gross profit of RMB18.1 million for 4Q2015.

Business Performance by Segments

The Group's Catalyst, CSC and Engineering Services businesses accounted for 14.2%, 76.4% and 9.4% of its revenue in FY2015 respectively.

Revenue (RMB' mil)	<u>FY2015</u>	<u>FY2014</u>	<u>% Chg</u>
CSC Business	94.4	106.1	-11
Catalyst Business	17.5	9.4	86
Engineering Services	11.6	13.9	-16
Gross Profit (RMB' mil)			
CSC Business	34.6	40.0	-14
Catalyst Business	7.8	3.9	100
Engineering Services	8.3	9.4	-12

Anchun's Catalyst Business continued its strong performance in FY2015 with segment sales up 86% to RMB17.5 million and gross profit doubling to RMB7.8 million, compared to RMB9.4 million and RMB3.9 million respectively in FY2014. This was mainly attributable to more orders being filled at the Group's expanded 1,500-tonne production facility and delivery of finished goods.

Conversely, revenue contributed from the Group's CSC business declined by 11% to RMB 94.4 million in FY2015 as Anchun delivered less chemical equipment in accordance with customers' project development activities. Its Engineering Business similarly recorded a 16% decrease in sales to RMB11.6 million as a result of lower percentage of completion for service contracts in FY2015.

Ms Xie Ming, (谢明), Anchun's Executive Director and Chief Executive Officer said, "The operating environment in FY2015 was not an easy one to navigate, given muted economic and industry sentiments in the PRC. Despite this, we managed to grow our profitability, which points to the considerable experience of Anchun's management and employees and the massive efforts they put in. We will continue to work hard to deliver results to our shareholders in 2016 and beyond."

Ms Ming added, "In January 2016, Anchun received the "Most Innovative Companies" award from the China Petroleum and Chemical Industries Association in recognition of our

contributions to China's petrochemical and chemical industry from 2011 to 2015. We are honoured by this award as it is a validation of Anchun's unique business and our game-changing technology which is both environmental friendly and energy-saving."

Outlook and Plans

In addition to the PRC's slowing economy and credit tightening measures, the Group also expects the business environment in FY2016 to be competitive. Notwithstanding this, ensuring a sustainable business growth path remains Anchun's top priority. With this goal in mind, the Group is banking on innovation to drive growth, focusing its R&D efforts on a new generation of shift catalyst and new equipment technology.

As at 31 December 2015, the Group has an order book of RMB144.6 million (31 December 2014: RMB181.6 million), providing some revenue visibility moving into FY2016.

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About Anchun International Holdings Ltd ("Anchun")

Listed on the SGX Mainboard in 2010, 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, the ammonia and methanol industries.

With its strong R&D capabilities and patented key technologies, Anchun is strategically positioned to capture value across the value chain from system design, system manufacturing and project management, and after-sales.

Over the years, Anchun has won 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), 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) and "Most Innovative Companies" award conferred by China Petroleum & Chemical Industry Associations (中国石油和化学工业联合会) in 2016.

**For more information please contact:
August Consulting / Tel: 6733 8873**

Silvia Heng – silviaheng@august.com.sg / HP: 9684 4500

Colin Tan – colintan@august.com.sg / HP: 9862 1532