

**ANCHUN INTERNATIONAL HOLDINGS LTD.**

Registration No. 200920277C

(the "Company")

(Incorporated in the Republic of Singapore)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S ANNUAL REPORT 2015**

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The Board of Directors (the "**Board**") of Anchun International Holdings Ltd. (the "Company" and together with its subsidiary, the "**Group**") refers to the Annual Report 2015. The Company has received SGX Queries regarding certain disclosures in the Annual Report 2015 and sets out its responses below:

**SGX Query 1**

Rule 1207(6) requires that the aggregate amount of fees paid to auditors to be broken down into audit and non-audit services. If there are no audit or non-audit fees paid, it is required that an appropriate negative statements be made in the annual report. Rule 1207(6) also requires a confirmation by the audit committee that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the audit committee's opinion, affect the independence of the auditors.

Please disclose if there are any non-audit fees paid or make an appropriate negative statement. If there are non-audit fees paid, please provide an opinion from the Audit Committee whether this will affect the independence of the auditors.

**The Company's response to SGX Query 1**

Ernst & Young LLP, the Company's auditors, have not provided any non-audit services to the Group. As such, the Company has not paid any non-audit fees to Ernst & Young LLP.

**SGX Query 2**

Rule 1207(20) requires that where proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied. On page 9 of the Annual Report 2015, the Company disclosed that RMB 37,806,000 had been utilized for working capital. Please provide a breakdown with specific details of how this amount has been applied.

**The Company's response to SGX Query 2**

The Company would like to clarify that RMB37,806,000 as disclosed in page 9 of the Annual Report 2015 was the aggregate amount of IPO proceeds utilized by the Group, with the amount utilized for working capital purposes being RMB17,071,000.

The breakdown of the RMB 17,071,000 utilised for working capital is as follows:

<b>Usage of working capital</b>	<b>Amount Utilized (RMB'000)</b>
For CO shift catalyst unit and technology implementations	13,976
For expanding our sales and marketing capabilities and initiatives	3,095
Total	17,071

**By Order of the Board**

Xie Ming

Executive Director and CEO

28 April 2016