



## **ANCHUN INTERNATIONAL HOLDINGS LTD.**

Co. Registration Number: 200920277C

Co. Address: 138 Cecil Street, #12-01A Cecil Court, Singapore 069538

Principal Office: 539 Lusong Road, Changsha Hi-tech Development Zone,  
Changsha, Hunan, China

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### **RESPONSE TO SGX QUERIES**

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The Board of Directors (the "**Board**") of Anchun International Holdings Ltd. (the "**Company**") and together with its subsidiary, Hunan Anchun Advanced Technology Co., Ltd. (collectively known as "**Group**") has on 15 March 2023 received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Group's unaudited condensed interim consolidated financial statements for the six months and full year ended 31 December 2022 released on 28 February 2023 and sets out its response as follows: -

**Question 1:** We note that the Group reported a decrease in trade and other receivables from RMB 63.9 mil as at 31 Dec 2021 to RMB 55.4 mil as at 31 Dec 2022.

- (i) Please clarify and reconcile this against the Group's statement on Notes on the Balance Sheet that there was an increase in trade and other receivables of RMB 7.1 mil due to increase of contractual milestones; and
- (ii) Please also provide the reason(s) for the decrease in trade and other receivables of 13% by RMB 8.5 mil to RMB 55.4 mil on the back of an increase in revenue of 68%.

**Response:**

The Group's statement on notes on the balance sheet refers solely to trade receivables. There was an increase in trade and other receivables of RMB7.1 million largely due to increase in trade receivables of RMB4.92 million from contractual milestone billings, where customers are billed based on the contractual payment schedule which are typically triggered upon achievement of specified milestones.

The decrease in trade and other receivables by RMB8.5 million is largely contributed by decrease of RMB15.6 million in bills receivable settled upon maturity as at year end partially offset by increase of trade and other receivables of RMB7.1 million as explained above.

**By Order of the Board**

Zheng, ZhiZhong  
Executive Director and Chief Executive Officer  
17 March 2023