

**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's net profit improves to RMB1.6 million in 1Q2015**

- Revenue up 35% to RMB24.7 million driven by exceptionally robust growth in the Group's Engineering Services and the Catalyst businesses
- Gross profit soars 51% to RMB12.9 million and margin rises to 52% on the back of improved margin yields from all its three business segments
- Strong order book of approximately RMB172.3 million as at 31 March 2015 despite competitive business environment in FY2015

**Financial Highlights (FPE 31 March)**

<b>RMB'mil</b>	<b><u>1Q2015</u></b>	<b><u>1Q2014</u></b>	<b><u>% Chg</u></b>
Revenue	24.7	18.2	35
Gross Profit	12.9	8.5	51
Gross Profit Margin (%)	52	47	5% pts
Net Profit Attributable to Shareholders	1.6	0.2	773

**Singapore – 13 May 2015** – 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 reported a 773% improvement in net profit attributable to shareholders to RMB1.6 million for the first quarter ended 31 March 2015 ("**1Q2015**").

This was achieved on the back of a 35% year-on-year increase in revenue to RMB24.7 million driven by growth in all three of the Group's business segments, in particular its Engineering Services and the Catalyst businesses which enjoyed exceptionally robust growth as compared to the corresponding previous quarter.

As all three business segments yielded better margins during the quarter, the Group's overall gross profit increased significantly by 51% to RMB12.9 million. Overall gross profit margin rose from 47% in the same period in the preceding financial year ("**1Q2014**") to 52% in 1Q2015.

**Business performance by segments**

Revenue by Business Segment	Revenue Contribution (%)	1Q2015 (RMB'mil)	1Q2014 (RMB'mil)	Chg (RMB'mil)	% Chg
Engineering Services	16.2	4.0	2.6	1.4	56
CSC Business	64.4	15.9	15.3	0.6	3
Catalyst Business	19.4	4.8	0.3	4.5	1,483
Total	100	24.7	18.2	6.5	35

Engineering Services

Due to a higher percentage of service contracts completed in 1Q2015, revenue from the Engineering Services increased 56% to RMB4.0 million.

Chemical Systems and Components ("**CSC**") Business

Revenue from the CSC Business, which accounted for the bulk (64.4%) of Group's 1Q2015 revenue, climbed 3% to RMB15.9 million. The Group generated higher sales of its patented equipment products, which have better margins.

Catalyst Business

In 1Q2015, revenue from the Catalyst Business soared 1,483% to RMB4.8 million as the Group was able to fill more orders with the enhanced production capacity of its catalyst manufacturing plant fully on stream, and deliver more finished goods. Post-expansion and upgrading works, the annual processing capacity of this plant is 1,500 tonnes, triple what it was before.

Based on this set of commendable results, Anchun achieved earnings per share of RMB0.31 cents in 1Q2015 as compared to RMB0.04 cents in 1Q2014. As at 31 March 2015, net asset value per share stood at RMB63.62 cents, as compared to RMB63.31 cents as at 31 December 2014.

## **Outlook**

The Group expects the business environment to remain competitive in FY2015 as the economic and credit growth of the People's Republic of China ("PRC") is expected to be constrained by the government's ongoing attempts to restructure the economy.

While it will stay vigilant and respond prudently to macroeconomic changes, Anchun remains positive about the long-term market prospects of its proprietary Isothermal Low Temperature High CO Shift Technology, a first-of-its kind in the PRC, which has an important role to play amidst the PRC's efforts in implementing integrated resource utilization and low carbon emission measures, all with the end in mind of becoming a greener economy.

Ms Xie Ming, (谢明), Anchun's Executive Director and Chief Executive Officer said,

"Our investment in Research and Development ("R&D") are starting to yield results as evident from the robust business performance we have achieved. To ensure a sustainable growth path for the business, Anchun will stay on course in our R&D efforts as well as marketing initiatives for its technology and engineering expertise to new and existing customers in 2015."

Underscoring its reputation as a first mover in many technologies, Anchun is forging ahead to commercialise its other innovative technological products, such as the CO Shift catalyst, the methanation reactor used in the process of converting coal to natural gas, and the sulfur reactor used in the natural gas purification process.

In addition, operationally, the Group is working to improve scheduling and quality control as well as cost and receivables management.

The Group's order book as at 31 March 2015 was approximately RMB172.3 million.

-End-

## ***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) 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).*

**For more information please contact:**

**August Consulting / Tel: 6733 8873**

Silvia Heng – [silvia@august.com.sg](mailto:silvia@august.com.sg) / HP: 96844 500

Ho Lily – [lily@august.com.sg](mailto:lily@august.com.sg) / HP: 90181 686