

**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 1H2015 earnings rises to RMB2.9 million

- *Achieves improvement in earnings despite a challenging business climate and higher marketing, distribution and research expenses*
- *Revenue up 18% to RMB54.6 million mainly from 730% surge in sales from Catalyst Business*
- *Strong order book of approximately RMB164.8 million as at 30 June 2015*
- *Expects FY2015 to remain challenging given the PRC government's on-going attempts to restructure the economy*

Financial Highlights (FPE 30 June)

RMB' mil	<u>2Q2015</u>	<u>2Q2014</u>	<u>% Chg</u>	<u>1H2015</u>	<u>1H2014</u>	<u>% Chg</u>
Revenue	30.0	28.1	7	54.6	46.3	18
Gross Profit	10.9	12.3	-12	23.8	20.8	14
Gross Profit Margin (%)	36	44	-8% pts	43	45	-2% pts
Net Profit Attributable to Shareholders	1.4	0.4	282	2.9	0.5	443

Singapore – 14 August 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 443% surge in net profit attributable to shareholders to RMB2.9 million for the six months ended 30 June 2015 (“**1H2015**”). The Group’s strong earnings growth was achieved on the back of an 18% year-on-year rise in revenue to RMB54.6 million, which was largely supported by brisk sales from its Catalyst Business.

With its sparkling half-time results, earnings per share of the Group was boosted to RMB0.58 cents in 1H2015 as compared to RMB0.11 cents in 1H2014, while its net asset value per share as at 30 June 2015, improved to RMB63.90 cents from RMB63.31 cents as at 31 December 2014.

Business performance by segments

Revenue (RMB' mil)	1H2015	1H2014	% Chg
CSC Business	39.3	38.1	3
Catalyst Business	8.3	1.0	730
Engineering Services	7.0	7.2	-3
Gross Profit (RMB' mil)			
CSC Business	14.9	14.8	1
Catalyst Business	3.5	0.3	NM
Engineering Services	5.3	5.7	-7

The Group's Catalyst, Chemical Systems and Components ("**CSC**") and Engineering Services businesses accounted for 15%, 72% and 13% of its revenue in 1H2015 respectively.

1H2015 marked a record performance for the Group's Catalyst Business as sales from this segment surged 730% year-on-year to RMB8.3 million. This was due to the full ramp-up at Anchun's upgraded catalyst processing plant which enabled the Group to fill more orders as well as deliver more finished goods in 1H2015. Post-expansion and upgrading works, the annual processing capacity of this plant has tripled to 1,500 tonnes. Corresponding to this, gross profit from the Catalyst Business rose very significantly from RMB0.3 million in 1H2014 to RMB3.5 million in 1H2015.

Sales from the Group's CSC Business grew by 3% to RMB39.3 million. In line with this, gross profit from this segment improved slightly by a percent to RMB14.9 million. At the same time, the Group saw sales from Engineering Services dip 3% to RMB7.0 million in 1H2015 due to fluctuations of the percentages of service contracts completed during the period.

Ms Xie Ming, (谢明), Anchun's Executive Director and Chief Executive Officer said, "The business and economic climate in 1H2015 continued to be challenging for Anchun. Despite this, and higher overheads in the form of marketing, distribution and research expenses, we still managed

to achieve a considerable improvement in our operating profit for the period. We are highly encouraged by our performance. In addition, revenue visibility for Anchun's FY 2015 is clear as we have a healthy order book of approximately RMB164.8 million as at 30 June 2015."

In comparison, the Group's order book was RMB146.9 million as at 30 June 2014.

Outlook and Plans

Given the government's on-going attempts to restructure the economy and change the economic development pattern in the People's Republic of China ("PRC"), economic and credit growth in the country is expected to slow. As such the Group expects the business environment to remain competitive in the FY2015 and will remain vigilant and respond prudently to any macro-economic changes.

R&D and strategic marketing will continue to be Anchun's key growth drivers. The Group intends to intensify its marketing initiatives, where it makes sense, and promote its technology and engineering expertise to new and existing customers.

Elaborating on Anchun's future plans, Ms Xie continued, "R&D will continue to feature strongly in our expansion strategy and we intend to leverage this to cement our position as forerunner in innovative technology in the PRC's chemical industry. Two promising R&D areas which we have identified are for new type shift catalyst and desulphurization equipment technology."

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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) 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 – silviaheng@august.com.sg / HP: 96844 500