



ANCHUN INTERNATIONAL HOLDINGS LTD.

Co. Registration Number: 200920277C

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

Changsha, Hunan, China

Response to Queries from the SGX-ST regarding disclosures in the Annual Report for the Financial Year ended 31 December 2018 ("Annual Report 2018") of Anchun International Holdings Ltd. (the "Company")

The Company has received the following queries on 22 April 2019 from the SGX-ST in relation to its Annual Report 2018, and sets out its responses below:

Question 1: Please explain where information required under Listing Rule 720(6) relating to the re-elected directors have been provided to shareholders. If not disclosed, please do so accordingly.

Response:

The information required under Listing Rule 720(6) relating to the directors seeking re-election at the upcoming annual general meeting is found at pages 44 to 47 of the Annual Report 2018.

Question 2: Please explain reason for the material discrepancies between the audited and unaudited cash flow statements relating to net cash flows used in investing activities (unaudited: RMB90,000 vs audited: RMB20.1 million) and cash and cash equivalents (unaudited: RMB134.5 million vs audited: RMB114.5 million) as at 31 December 2019.

Response:

Based on the unaudited cash flow statements, the RMB20 million was recorded as cash and cash equivalents. However, the aforesaid amount pertains to an investment managed by a fund manager and accordingly was treated as an investing activity in the audited cash flow statements.

The Management confirms that (a) all investment products which the Group selected in 2018 were obtained from China Construction Bank and Industrial and Commercial Bank of China only and specified as "Principal Guaranteed Investment Products 保本型理财产品" and (b) there is no impact on the profit and loss statement as a result of this reclassification.

By Order of the Board

Xie Ming
Executive Chairman
24 April 2019