

**ANCHUN INTERNATIONAL HOLDINGS LTD.**

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Changsha, Hunan, China**FOR IMMEDIATE RELEASE**

## **Anchun maintains profitability in 9M2015 despite competitive environment**

- *Catalyst business up 142%; Remains key revenue driver*
- *Order book remains robust at RMB173.0 million as at 30 September 2015*
- *Arrows in on R&D to drive sustainable growth; Focus on new type shift catalyst and new equipment technology*
- *Expects FY2015 to remain challenging given the PRC government's economic restructuring*

**Financial Highlights (FPE 30 September)**

<b>RMB' thousand</b>	<b><u>3Q2015</u></b>	<b><u>3Q2014</u></b>	<b><u>% Chg</u></b>	<b><u>9M2015</u></b>	<b><u>9M2014</u></b>	<b><u>% Chg</u></b>
Revenue	24,296	37,117	-35	78,939	83,459	-5
Gross Profit	8,991	16,540	-46	32,760	37,388	-12
Gross Profit Margin (%)	37	45	-8 pts	42	45	-3 pts
Net Profit Attributable to Shareholders	2,357	4,832	-51	5,281	5,370	-2

**Singapore – ● November 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 stable net profit attributable to shareholders of RMB5.3 million for the nine months ended 30 September 2015 (“9M2015”), compared to RMB5.4 million for the nine months ended 30 September 2014 (“9M2014”).

This was achieved despite facing a competitive business environment in the PRC that saw Anchun’s revenue dip 5% year-on-year to RMB78.9 million for 9M2015. The Group’s topline in

the last nine months was buoyed by a doubling in sales from its Catalyst Business, which helped to moderate lower revenue generated by its Engineering and CSC businesses.

Overall, net profit attributable to shareholders dipped 2% year-on-year to RMB5.3 million for 9M2015, partially cushioned by a doubling in the Group's finance and other income as a result of a higher net gain from sales of equipment arising from its research and development activities.

Notwithstanding its top and bottom-line performance, the Group managed to keep its gross profit margin relatively stable and healthy at 42% for 9M2015, compared to 45% for 9M2014.

Based on its year-to-date performance, earnings per share of the Group stood at RMB1.05 cents for 9M2015 as compared to RMB1.07 cents for 9M2014, while its net asset value per share as at 30 September 2015, improved to RMB64.38 cents from RMB63.31 cents as at 31 December 2014.

### **3Q2015**

On a three month basis, the Group reported a net profit attributable to owners of RMB2.4 million on the back of RMB24.3 million in revenue for the three months ended 30 September 2015 ("**3Q2015**"). This compared to a profit and revenue of RMB4.8 million and RMB37.1 million respectively for the corresponding quarter a year ago ("**3Q2014**").

### **Business Performance by Segments**

The Group's Catalyst, Chemical Systems and Components ("**CSC**") and Engineering Services businesses accounted for 16%, 73% and 11% of its revenue in 9M2015 respectively.

<b>Revenue (RMB' thousand)</b>	<b><u>9M2015</u></b>	<b><u>9M2014</u></b>	<b><u>% Chg</u></b>
CSC Business	57,517	67,843	-15
Catalyst Business	12,653	5,232	142
Engineering Services	8,769	10,384	-15

Gross Profit (RMB' thousand)			
CSC Business	21,515	27,918	-23
Catalyst Business	5,095	1,776	194
Engineering Services	6,307	7,694	-18

Notably, Anchun's Catalyst Business continued to perform strongly in 9M2015 with segment sales up 142% to RMB12.6 million and gross profit up 194% to RMB5.0 million, compared to RMB5.2 million and RMB1.7 million respectively in 9M2014. This was achieved on the back of more orders at the Group's expanded 1,500-tonne production facility and delivery of finished goods.

In contrast, sales from the CSC Business declined by 15% to RMB57.5 million in 9M2015 as the Group delivered less chemical equipment in accordance with customers' project development activities. The Group's Engineering Business also recorded a 15% decrease in sales to RMB8.8 million from lower percentage of completion for service contracts in 9M2015.

#### **Outlook and Plans**

Ms Xie Ming, (谢明), Anchun's Executive Director and Chief Executive Officer said, "Despite a challenging and competitive landscape, I am heartened that Anchun managed to keep our profitability in 9M2015 relatively stable and healthy. Even though the business environment will likely be competitive for the rest of FY2015 and FY2016, we have a healthy order book of RMB173 million as at 30 September 2015(RMB 164.8 million as at 30 June 2105)."

She continued, "In addition, having arrowed in on Research and Development ("**R&D**") as a long-term strategic imperative for us, we will press on with our R&D efforts in new type shift catalyst and new equipment technology, such as sulfur removal equipment technology. As these technologies can be implemented widely in the chemical and petrochemical industries, we believe this will help Anchun drive future sustainable growth."

Going forward, economic and credit growth in the PRC is expected to slow with the government's on-going economic restructuring programmes. In view of this, the Group will remain vigilant and respond prudently to any macro-economic changes.

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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).*

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