

## LETTER TO SHAREHOLDERS DATED 9 APRIL 2025

This Letter is issued by Anchun International Holdings Ltd. (the “Company”). **If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

If you have sold or transferred all your shares in the capital of the Company, you should immediately hand this Letter (together with the Notice of AGM (as defined in this Letter) and accompanying proxy form) and the 2024 Annual Report (as defined in this Letter) to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements or opinions made, or reports contained in this Letter.



## ANCHUN INTERNATIONAL HOLDINGS LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200920277C)

## LETTER TO SHAREHOLDERS

in relation to

## THE PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

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## DEFINITIONS

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In this Letter, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

<b>“2024 AGM”</b>	:	The AGM held on 25 April 2024
<b>“2024 Annual Report”</b>	:	The annual report of the Company for FY2024
<b>“2025 AGM”</b>	:	The forthcoming AGM to be held at M Hotel, 81 Anson Road, Singapore 079908 on Thursday, 24 April 2025 at 9.30 a.m., notice of which is set out in the Notice of AGM
<b>“ACRA”</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“associate”</b>	:	<p>In the case of a company,</p> <p>(a) in relation to any director, chief executive officer, Substantial Shareholder or controlling shareholder (being an individual) means:</p> <p>(i) his immediate family;</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</p> <p>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and</p> <p>(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more</p>
<b>“Board”</b>	:	The board of Directors of the Company for the time being
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
<b>“Company”</b>	:	Anchun International Holdings Ltd.
<b>“Constitution”</b>	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
<b>“control”</b>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company

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## DEFINITIONS

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<b>“controlling shareholder”</b>	: A person who:
	(a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in a company (unless the SGX-ST has determined such a person not to be a controlling shareholder); or
	(b) in fact exercises control over a company
<b>“Directors”</b>	: The director(s) of the Company as at the date of this Letter
<b>“EPS”</b>	: Earnings per Share
<b>“FY” or “Financial Year”</b>	: Financial year ending or, as the case may be, ended 31 December
<b>“FY2024”</b>	: Financial year ended 31 December 2024
<b>“Group”</b>	: The Company and its subsidiary
<b>“Latest Practicable Date”</b>	: 10 March 2025, being the latest practicable date prior to the printing of this Letter
<b>“Letter”</b>	: This letter to Shareholders dated 9 April 2025
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Market Purchase”</b>	: As defined in paragraph 2.3.3 of this Letter
<b>“Maximum Limit”</b>	: As defined in paragraph 2.3.1 of this Letter
<b>“Maximum Price”</b>	: As defined in paragraph 2.3.4 of this Letter
<b>“Notice of AGM”</b>	: The notice of AGM dated 9 April 2025 convening the 2025 AGM
<b>“NTA”</b>	: Net tangible assets
<b>“Off-Market Purchase”</b>	: As defined in paragraph 2.3.3 of this Letter
<b>“Ordinary Resolution 11”</b>	: Ordinary Resolution 11 as set out in the Notice of AGM
<b>“PRC”</b>	: The People’s Republic of China
<b>“Relevant Period”</b>	: As defined in paragraph 2.3.2 of this Letter
<b>“Renewal of Share Purchase Mandate”</b>	: The renewal of the Share Purchase Mandate, and <b>“Renewed Share Purchase Mandate”</b> means such renewed mandate
<b>“Securities Accounts”</b>	: The securities accounts maintained with CDP, but not including the securities accounts maintained with a Depository Agent
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time

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## DEFINITIONS

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<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Purchase”</b>	:	The purchase or acquisition by the Company of Shares pursuant to the Share Purchase Mandate, which can be by way of a Market Purchase or an Off-Market Purchase
<b>“Share Purchase Mandate”</b>	:	General mandate authorising Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate set out in this Letter
<b>“Shareholders”</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose direct Securities Accounts maintained with CDP are credited with Shares
<b>“Shares”</b>	:	The issued ordinary shares in the capital of the Company
<b>“subsidiary holdings”</b>	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
<b>“Substantial Shareholder”</b>	:	A person who has an interest in not less than five per cent. (5%) of the issued voting shares in the capital of the Company
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
<b>“treasury shares”</b>	:	Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies, and have been held by the Company continuously since the treasury share was so purchased

### Currencies, units and others

<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“RMB” and “RMB cents”</b>	:	PRC Renminbi and cents respectively, the lawful currency of the PRC
<b>“%” or “per cent.”</b>	:	Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any reference to a time of day in this Letter is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Letter between the listed amounts and the totals thereof are due to rounding.

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## DEFINITIONS

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Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine gender and neuter genders. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

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## LETTER TO SHAREHOLDERS

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### ANCHUN INTERNATIONAL HOLDINGS LTD.

(Incorporated in Singapore)  
(Company Registration No. 200920277C)

#### Directors:

Xie Ming	Non-Independent and Non-Executive Chairman
Zheng Zhi Zhong	Executive Director and Chief Executive Officer
Dai Feng Yu	Executive Director
Xie Ding Zhong	Non-Independent and Non-Executive Director
He Ming Yang	Independent Director
Wang He Ming	Independent Director
Tan Wei Shyan	Independent Director
San Meng Chee	Independent Director

#### Registered Office:

138 Cecil Street  
#12-01A  
Cecil Court  
Singapore 069538

9 April 2025

To: The Shareholders of Anchun International Holdings Ltd.

Dear Sir/Madam

## 1. INTRODUCTION

### 1.1 2025 AGM

We refer to the Notice of AGM convening the 2025 AGM to be held at M Hotel, 81 Anson Road, Singapore 079908 on Thursday, 24 April 2025 at 9.30 a.m., and specifically, Ordinary Resolution 11 under the heading "Special Business", in relation to the proposed Renewal of Share Purchase Mandate.

### 1.2 Letter to Shareholders

The purpose of this Letter is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for, Ordinary Resolution 11, as proposed in the Notice of AGM.

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained in this Letter.

**Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

### 1.3 Legal Adviser

Shook Lin & Bok LLP has been appointed as the legal adviser to the Company in relation to the proposed Renewal of Share Purchase Mandate.

## 2. THE PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

### 2.1 Background

The Companies Act allows a company incorporated in Singapore to purchase or otherwise acquire its issued shares, stocks and preference shares if the purchase or acquisition is permitted under the constitution of the company. Any purchase of Shares by our Company will have to be made in accordance with, and in the manner prescribed by the Companies Act, our Constitution, the Listing Manual, and such other laws and regulations as may, for the time being, be applicable.

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## LETTER TO SHAREHOLDERS

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It is a requirement under the Companies Act and the Listing Manual that a company which wishes to purchase or acquire its own shares should obtain the approval of its shareholders to do so at a general meeting of the shareholders. In this regard, the Shareholders had previously approved a Share Purchase Mandate at the extraordinary general meeting of the Company held on 29 April 2016 authorising the Directors to purchase or otherwise acquire issued Shares on the terms of the Share Purchase Mandate, details of which were set out in the Company's circular to the Shareholders dated 7 April 2016. The Share Purchase Mandate was last renewed at the 2024 AGM, and the authority conferred under the Share Purchase Mandate will, unless renewed, expire at the forthcoming 2025 AGM. Accordingly, the Directors propose to seek the approval of the Shareholders for the Renewal of Share Purchase Mandate at the 2025 AGM.

### 2.2 Rationale for the Renewal of Share Purchase Mandate

The Share Purchase Mandate will give the Board the flexibility to purchase Shares when the circumstances are deemed appropriate. The Board believes that Share Purchases provide the Company and the Board with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Board to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

Depending on market conditions and available funding arrangements at the time, Share Purchases may lead to an enhancement of the EPS and/or net asset value per Share. Share Purchases will only be made when the Board believes that such purchases would benefit the Company and the Shareholders.

### 2.3 Terms of the Share Purchase Mandate

The authority and limitations placed on the purchase or acquisition of Shares by the Company under the Share Purchase Mandate, if renewed at the 2025 AGM, are substantially the same as the mandate previously approved by Shareholders at the 2024 AGM.

Any purchase or acquisition of Shares by the Company shall be made in accordance with, and in the manner prescribed by, the Companies Act, the Company's Constitution and the Listing Manual, in particular, Rule 883(1) of the Listing Manual, and such other laws and regulations as may, for the time being, be applicable. The authority and limitations on the Renewed Share Purchase Mandate, including the information required under Rule 883(1) of the Listing Manual, are summarised below.

#### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired by the Company pursuant to the Renewed Share Purchase Mandate shall not exceed ten per cent. (10%) of the Shares (excluding treasury shares and subsidiary holdings) as at the date on which the resolution authorising the Renewal of Share Purchase Mandate is passed ("**Maximum Limit**"), unless the Company has effected a cancellation of Shares pursuant to a reduction of its issued share capital, in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of Shares of the Company shall be taken to be the total number of Shares as so altered. Shares held by the Company as treasury shares and subsidiary holdings shall be disregarded for purposes of computing the Maximum Limit. As at the Latest Practicable Date, the Company has 3,649,100 treasury shares and no subsidiary holdings.



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Whilst the Renewed Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the full ten per cent. (10%) threshold, it should be noted that purchases or acquisitions of Shares pursuant to the Renewed Share Purchase Mandate may not be carried out up to the full ten per cent. (10%) limit as authorised or at all and that no purchases or acquisitions of Shares will be made in circumstances which would or may have a material adverse effect on the financial position of the Company.

**For illustration purposes only**, based on 46,850,900 Shares, being the total number of Shares as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued, or repurchased and held as treasury shares and/or subsidiary holdings on or prior to the 2025 AGM, not more than 4,685,090 Shares (representing ten per cent. (10%) of the issued share capital of the Company disregarding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Renewed Share Purchase Mandate.

Shareholders should note that this limit of ten per cent. (10%) is subject further to the public float requirement as set out in detail in paragraph 2.8.1 of this Letter.

### 2.3.2 Duration of Authority

The authority conferred on the Directors pursuant to the Renewed Share Purchase Mandate, unless varied or revoked by the Company in a general meeting, may be exercised by the Directors at any time and from time to time during the “**Relevant Period**”, which is the period commencing from the passing of the resolution for the Renewal of Share Purchase Mandate and expiring on the earliest of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meeting of the Company. When seeking the approval of Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

### 2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be by way of:

- (a) a market purchase, transacted through the SGX-ST’s trading system or on another stock exchange on which the Shares are listed, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchase**”); and/or
- (b) an off-market purchase effected pursuant to an equal access scheme (“**Off-Market Purchase**”) in accordance with Section 76C of the Companies Act.

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The Directors may impose such terms and conditions which are not inconsistent with the Renewed Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company shall, as required by Rule 885 of the Listing Manual, issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchases or acquisitions of Shares;
- (d) the consequences, if any, of purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or any other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant, and the total consideration paid for such purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.3.4 Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and

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## LETTER TO SHAREHOLDERS

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- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition ("**Maximum Price**").

For the above purposes:

**"Average Closing Price"** means the average of the Closing Market Prices of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

**"Closing Market Price"** means the last dealt price for a Share transacted through the SGX-ST's Central Limit Order Book trading system as shown in any publication of the SGX-ST or other sources; and

**"date of the making of the offer"** means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### 2.4 Status of Purchased Shares

Shares when purchased or acquired by the Company are treated as cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. All cancelled Shares will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

At the time of each purchase or acquisition of Shares by the Company, the Directors may decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interests of the Company at that time.

### 2.5 Treasury Shares

Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

#### 2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

#### 2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

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In addition, no dividends may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 2.5.3 Disposal and Cancellation

Where purchased Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

## 2.6 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the Constitution of the Company and the applicable laws and regulations in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, the Company may purchase or acquire its own Shares out of capital, as well as from its distributable profits, provided that:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the purchase or acquisition, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company may use internal resources and/or external borrowings to finance the Company's purchase or acquisition of its Shares pursuant to the Renewed Share Purchase Mandate. The Directors do not propose to exercise the Renewed Share Purchase Mandate to such an extent that it would materially affect the working capital requirements or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

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## LETTER TO SHAREHOLDERS

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### 2.7 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Renewed Share Purchase Mandate on the Group will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares, whether the Shares purchased or acquired are held in treasury or cancelled, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. Some of these factors are discussed below:

#### 2.7.1 Purchase or Acquisition out of Profits and/or Capital

Purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the purchase of Shares is made out of distributable profits, the amount available for the distribution of cash dividends by the Company will be correspondingly reduced. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

When Shares are purchased or acquired, and cancelled, the Company shall:

- (a) reduce the amount of its share capital if the Shares are purchased or acquired entirely out of the capital of the Company;
- (b) reduce the amount of its profits if the Shares are purchased or acquired entirely out of profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares are purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses incurred in the purchase or acquisition of the Shares) which are paid out of the Company's capital and/or profits.

Where the purchased Shares are held in treasury, the total number of issued Shares will remain unchanged.

#### 2.7.2 Number of Shares Acquired or Purchased

**For illustration purposes only**, based on 46,850,900 Shares, being the total number of Shares as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued, or repurchased and held as treasury shares and/or subsidiary holdings on or prior to the 2025 AGM, not more than 4,685,090 Shares (representing ten per cent. (10%) of the issued share capital of the Company excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Renewed Share Purchase Mandate.

#### 2.7.3 Maximum Price Paid for Shares Acquired or Purchased

- (a) In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the 4,685,090 Shares at the Maximum Price of S\$0.320 per Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 4,685,090 Shares is S\$1,499,228.80 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

## LETTER TO SHAREHOLDERS

- (b) In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the 4,685,090 Shares at the Maximum Price of S\$0.366 per Share (being the price equivalent to twenty per cent. (20%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 4,685,090 Shares is S\$1,714,742.94 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

### 2.7.4 Illustrative Financial Effects

**For illustrative purposes only** and on the basis of the assumptions set out above as well as the following:

- (a) the Renewed Share Purchase Mandate had been effective on 1 January 2024; and
- (b) such Share Purchases are funded solely by the internal resources within the Group and/or borrowings,

the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Renewed Share Purchase Mandate on the audited consolidated financial statements of the Group and the Company for FY2024 are presented below:

#### **Market or Off-Market Purchase of 4,685,090 Shares – held as treasury shares**

	← GROUP →			← COMPANY →		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 December 2024	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Share capital and Reserves	315,070	315,070	315,070	117,286	117,286	117,286
Treasury shares	(4,994)	(13,140)	(14,311)	(4,994)	(13,140)	(14,311)
Total Shareholders' equity	310,076	301,930	300,759	112,292	104,146	102,975
NTA <sup>(1)</sup>	309,180	301,034	299,863	112,292	104,146	102,975
Current assets	365,342	357,196	356,025	50,553	42,407	41,236
Current liabilities	106,338	106,338	106,338	13,892	13,892	13,892
Working capital	259,004	250,858	249,687	36,661	28,515	27,344
Total borrowings	–	–	–	–	–	–
<b>Number of Shares ('000)</b>	46,851	42,166	42,166	46,851	42,166	42,166
<b>Net profit (RMB'000)</b>	10,938	10,938	10,938	5,678	5,678	5,678
<b>Financial Ratios</b>						
NTA per Share <sup>(2)</sup> (RMB cents)	662	716	714	241	248	245
Gearing ratio <sup>(3)</sup> (times)	–	–	–	–	–	–
Current ratio <sup>(4)</sup> (times)	3.44	3.36	3.35	3.64	3.05	2.97
Basic EPS <sup>(5)</sup> (RMB cents)	23.35	25.94	25.94	12.12	13.46	13.46

#### **Notes:**

- (1) NTA is computed based on net asset value less intangible assets.
- (2) NTA per Share is computed based on total issued Shares (excluding treasury shares).
- (3) Gearing ratio equals to total borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Earnings per Share has been computed based on FY2024 net profit attributable to Shareholders divided by the weight average number of Shares in issue.



## LETTER TO SHAREHOLDERS

### Market or Off-Market Purchase of 4,685,090 Shares – cancelled

	← GROUP →			← COMPANY →		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 December 2024	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Share capital and Reserves	315,070	306,924	305,753	117,286	109,140	107,969
Treasury shares	(4,994)	(4,994)	(4,994)	(4,994)	(4,994)	(4,994)
Total Shareholders' equity	310,076	301,930	300,759	112,292	104,146	102,975
NTA <sup>(1)</sup>	309,180	301,034	299,863	112,292	104,146	102,975
Current assets	365,342	357,196	356,025	50,553	42,407	41,236
Current liabilities	106,338	106,338	106,338	13,892	13,892	13,892
Working capital	259,004	250,858	249,687	36,661	28,515	27,344
Total borrowings	–	–	–	–	–	–
<b>Number of Shares ('000)</b>	46,581	42,166	42,166	46,581	42,166	42,166
<b>Net profit (RMB'000)</b>	10,938	10,938	10,938	5,678	5,678	5,678
<b>Financial Ratios</b>						
NTA per Share <sup>(2)</sup> (RMB cents)	662	716	714	241	248	245
Gearing ratio <sup>(3)</sup> (times)	–	–	–	–	–	–
Current ratio <sup>(4)</sup> (times)	3.44	3.36	3.35	3.64	3.05	2.97
Basic EPS <sup>(5)</sup> (RMB cents)	23.35	25.94	25.94	12.12	13.46	13.46

**Notes:**

- (1) NTA is computed based on net asset value less intangible assets.
- (2) NTA per Share is computed based on total issued Shares (excluding treasury shares).
- (3) Gearing ratio equals to total borrowings divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) Earnings per Share has been computed based on FY2024 net profit attributable to Shareholders divided by the weight average number of Shares in issue.

**Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are only for illustrative purposes. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Renewed Share Purchase Mandate on the NTA per Share and earnings/(loss) per Share, as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 December 2024, and is not necessarily representative of future financial performance.**

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Renewed Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interests of the Company, and the purchases or acquisitions of Shares may not be carried out to the Maximum Limit. Further, the Directors would emphasise that they do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

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## LETTER TO SHAREHOLDERS

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### 2.8 Listing Rules

#### 2.8.1 Listing Status of the Shares

Rule 723 of the Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed, is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies, the associates of such persons and founding shareholders and management team of special purpose acquisition company and their associates.

As at the Latest Practicable Date, approximately 16,831,200 Shares are held by public Shareholders, representing 35.93% of the total Shares.

The Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the Maximum Limit under the Renewed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

#### 2.8.2 No Purchases during Price Sensitive Developments

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Renewed Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares during the period one (1) month before the announcement of the Company’s half year and full year financial statements (as the Company is not required to announce quarterly financial statements).

### 2.9 Reporting Requirements

- (a) The Company shall, within thirty (30) days of the passing of a resolution to approve the Renewed Share Purchase Mandate, lodge a copy of such resolution with ACRA.
- (b) Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:
  - (i) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
  - (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.



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## LETTER TO SHAREHOLDERS

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Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) shall include, *inter alia*, details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, the purchase price per share or (in the case of Market Purchases) the purchase price per share or the highest price and lowest price per share, the total consideration (including stamp duties and clearing charges) paid for the shares and the number of issued shares excluding treasury shares after purchase.

- (c) Further, within thirty (30) days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company and such other information as required by the Companies Act.
- (d) Under Rule 704(28) of the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it and state the following:
  - (i) date of the sale, transfer, cancellation and/or use;
  - (ii) purpose of such sale, transfer, cancellation and/or use;
  - (iii) number of treasury shares sold, transferred, cancelled and/or used;
  - (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
  - (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
  - (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

### 2.10 Take-over Code Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

#### 2.10.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Takeover Code.

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## LETTER TO SHAREHOLDERS

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### 2.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an associated company (as defined in the Take-over Code) of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

The circumstances under which Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### 2.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company would increase to thirty per cent. (30%) or more; or
- (b) if the Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights and their voting rights increase by more than one per cent. (1%) in any period of six (6) months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

## LETTER TO SHAREHOLDERS

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Purchase.

### 2.10.4 Application of the Take-over Code

Assuming (a) the Company purchases the maximum amount of ten per cent. (10%) of the issued Shares of the Company (excluding treasury shares and subsidiary holdings) as permitted under the Renewed Share Purchase Mandate, and (b) such purchased Shares are not acquired from the Substantial Shareholders, based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the percentage shareholdings of the Substantial Shareholders would be changed as follows:

Name of Substantial Shareholder	← Before Share Purchase →			← After Share Purchase →		
	Number of Shares		Total Interest <sup>(1)</sup>	Number of Shares		Total Interest
	Direct Interest	Deemed Interest		Direct Interest	Deemed Interest	
Liang Gong Zeng	–	3,019,800 <sup>(3)</sup>	6.45	–	3,019,800 <sup>(3)</sup>	7.16
He Zu Bing	–	3,711,700 <sup>(4)</sup>	7.92	–	3,711,700 <sup>(4)</sup>	8.80
Xie Xing	–	10,967,200 <sup>(5)</sup>	23.41	–	10,967,200 <sup>(5)</sup>	26.01
Ma Ong Kee	–	3,255,400 <sup>(6)</sup>	6.95	–	3,255,400 <sup>(6)</sup>	7.72
Giant Yield Global Limited	3,019,800	–	6.45	3,019,800	–	7.16
Dawn Vitality International Limited	4,057,500 <sup>(2)</sup>	–	8.66	4,057,500 <sup>(2)</sup>	–	9.62
Ace Sense Holdings Limited	10,967,200	–	23.41	10,967,200	–	26.01
Oriental Eagle Holdings Limited	4,888,100	–	10.43	4,888,100	–	11.59
Inventive Result Enterprises Limited	3,711,700	–	7.92	3,711,700	–	8.80

**Notes:**

- (1) Percentage calculated based on 46,850,900 Shares of the Company as at the Latest Practicable Date.
- (2) Of the 4,057,500 Shares that Dawn Vitality International Limited holds, 170,000 Shares are held on trust for certain employees who are participants of the Anchun Performance Share Plan 2014 adopted by Shareholders on 29 April 2014.
- (3) Liang Gong Zeng is deemed to be interested in 3,019,800 Shares held by Giant Yield Global Limited.
- (4) He Zu Bing is deemed to be interested in 3,711,700 Shares held by Inventive Result Enterprises Limited.
- (5) Xie Xing is deemed to be interested in 10,967,200 Shares held by Ace Sense Holdings Limited.
- (6) Ma Ong Kee is deemed to be interested in 3,255,400 Shares held in a nominee account.

Based on the information set out above, assuming that there is no change to the shareholdings of the Substantial Shareholders since the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code as a result of the Company purchasing or acquiring its Shares pursuant to the Share Purchase Mandate.

## LETTER TO SHAREHOLDERS

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any Share Purchase by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

### 2.11 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

### 2.12 Shares Bought by the Company in the Past Twelve (12) Months

The Company has not made any Share Purchases in the twelve (12) months immediately preceding the Latest Practicable Date.

### 2.13 Limits on Shareholdings

The Company does not have any limits on the shareholdings of the Shareholders.

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest <sup>(1)</sup> (%)
<b>Directors</b>			
Xie Ming	–	10,967,200 <sup>(3)</sup>	23.41
Zheng Zhi Zhong		4,888,100 <sup>(4)</sup>	10.43
Dai Feng Yu	–	3,887,500 <sup>(5)</sup>	8.30
Xie Ding Zhong	120,000	–	0.26
San Meng Chee	–	–	–
Tan Wei Shyan	–	–	–
Wang He Ming	–	–	–
He Ming Yang	–	–	–
<b>Substantial Shareholders</b>			
Liang Gong Zeng	–	3,019,800 <sup>(6)</sup>	6.45
He Zu Bing	–	3,711,700 <sup>(7)</sup>	7.92
Xie Xing	–	10,967,200 <sup>(8)</sup>	23.41
Ma Ong Kee	–	3,255,400 <sup>(9)</sup>	6.95
Giant Yield Global Limited	3,019,800	–	6.45
Dawn Vitality International Limited	4,057,500 <sup>(2)</sup>	–	8.66
Ace Sense Holdings Limited	10,967,200	–	23.41
Oriental Eagle Holdings Limited	4,888,100	–	10.43
Inventive Result Enterprises Limited	3,711,700	–	7.92

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## LETTER TO SHAREHOLDERS

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**Notes:**

- (1) Percentage calculated based on 46,850,900 Shares of the Company as at the Latest Practicable Date.
- (2) Of the 4,057,500 Shares that Dawn Vitality International Limited holds, 170,000 Shares are held on trust for certain employees who are participants of the Anchun Performance Share Plan 2014 adopted by Shareholders on 29 April 2014.
- (3) Xie Ming is deemed to be interested in 10,967,200 Shares held by Ace Sense Holdings Limited.
- (4) Zheng Zhi Zhong is deemed to be interested in 4,888,100 Shares held by Oriental Eagle Holdings Limited.
- (5) Dai Feng Yu is deemed to be interested in 3,887,500 Shares held by Dawn Vitality International Limited.
- (6) Liang Gong Zeng is deemed to be interested in 3,019,800 Shares held by Giant Yield Global Limited.
- (7) He Zu Bing is deemed to be interested in 3,711,700 Shares held by Inventive Result Enterprises Limited.
- (8) Xie Xing is deemed to be interested in 10,967,200 Shares held by Ace Sense Holdings Limited.
- (9) Ma Ong Kee is deemed to be interested in 3,255,400 Shares held in a nominee account.

Save for their respective interests in the Company as disclosed above, none of the Directors or the Substantial Shareholders has any, direct or indirect, interest in the proposed Renewal of Share Purchase Mandate.

#### 4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed Renewal of Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 11 to approve the proposed Renewal of Share Purchase Mandate.

#### 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed Renewal of Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Letter in its proper form and context.

#### 6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 138 Cecil Street, #12-01A Cecil Court, Singapore 069538 during normal business hours from the date of this Letter up to the date of the 2025 AGM:

- (a) the Constitution of the Company; and
- (b) the 2024 Annual Report.

Yours faithfully,  
For and on behalf of the Board  
**ANCHUN INTERNATIONAL HOLDINGS LTD.**

Zheng Zhi Zhong  
Executive Director and Chief Executive Officer