

**ANCHUN INTERNATIONAL HOLDINGS LTD.**

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

## **Anchun records RMB35.5 million in revenue for 1H2016**

- *Topline continues to be impacted by customers' delay of projects*
- *Order book remains healthy at RMB121.1 million as at 30 June 2016*
- *Expects challenges to persist in FY2016 amidst uncertain economic outlook and tight credit environment in the PRC*

**Financial Highlights (FPE 30 June)**

<b>RMB' mil</b>	<b><u>2Q2016</u></b>	<b><u>2Q2015</u></b>	<b><u>% Chg</u></b>	<b><u>1H2016</u></b>	<b><u>1H2015</u></b>	<b><u>% Chg</u></b>
Revenue	16.2	30.0	-46	35.5	54.6	-35
Gross Profit	3.8	10.9	-65	8.9	23.8	-62
Gross Profit Margin (%)	24	36	-12 pts	25	44	-19 pts
Net Profit Attributable to Shareholders	-5.7	1.4	NM	-11.3	2.9	NM

*NM – Not meaningful*

**Singapore – 10 August 2016** – 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, announced its results for the six months ended 30 June 2016 (“1H2016”).

The Group reported lower revenue of RMB35.5 million for 1H2016 compared with RMB54.6 million in revenue for the six months ended 30 June 2015 (“1H2015”). The decline in revenue was mainly due to decrease in sales from both its Engineering Services and Chemical Systems and Components (“CSC”) businesses amidst prevailing macroeconomic headwinds in the

People's Republic of China ("PRC") and global decline in commodity prices. This was partially offset by the increase of revenue from the Group's Catalyst business.

### **Business Performance by Segments**

The Group's CSC, Catalyst and Engineering Services businesses accounted for 62%, 35% and 3% of its total revenue in 1H2016 respectively.

Revenue from the Group's Engineering Service business declined by 84% from RMB7.0 million in 1H2015 to RMB1.2 million in 1H2016, primarily due to less engineering design services rendered as a result of project postponements by customers. For the same reason, its CSC business posted lower revenue of RMB21.8 million in 1H2016 with fewer chemical equipment delivered during the period, representing a 45% decrease from RMB39.3 million in 1H2015.

The Group's Catalyst business, however continued to garner healthy sales, and recorded a 51% increase in revenue from RMB8.3 million in 1H2015 to RMB12.5 million in 1H2016, attributable to the delivery of more finished goods during the period.

Overall, the Group recorded a net loss attributable to shareholders of RMB11.3 million for 1H2016 compared with attributable net profit of RMB3.7 million in the corresponding period of the previous year, as a result of the above and partially offset by decrease in research expenses as well as marketing and distribution expenses.

Following the completion of a 10-for-1 share consolidation on 26 May 2016 which reduced its issued share base from 503.3 million to 50.33 million ordinary shares, the Group registered a loss per share of RMB22.50 cents for 1H2016. Net asset value per share stood at RMB6.29 yuan as at 30 June 2016.

### **Strong Balance Sheet**

The Group remains in a financially strong position with no bank borrowings and with cash holdings of RMB155.6 million as at 30 June 2016. The Group's order book as of 30 June 2016 was approximately RMB121.1 million (31 March 2016: RMB130.3 million).

## **Outlook**

Commenting on the Group's performance and outlook, Ms Xie Ming, (谢明), Anchun's Executive Director and Chief Executive Officer said, "Our 1H2016 results reflect an increasingly difficult operating landscape as economic and credit growth in the PRC is expected to remain slow amidst China's ongoing economic restructuring as well as tight credit environment. The Group will continue to intensify its R&D efforts in a new generation of shift catalyst and new equipment technology and exercise financial prudence so as to pave the way for Anchun's long-term sustainable growth."

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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), 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) and "Most Innovative Companies" award conferred by China Petroleum & Chemical Industry Associations (中国石油和化学工业联合会) in 2016.*

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