

**ANCHUN INTERNATIONAL HOLDINGS LTD.**

Co. Registration Number: 200920277C

Co. Address: 138 Cecil Street, #12-01A Cecil Court, Singapore 069538

Principal Office: 539 Lusong Road, Changsha Hi-tech Development Zone,  
Changsha, Hunan, China**RESPONSE TO SGX QUERIES**

The Board of Directors (the "**Board**") Anchun International Holdings Ltd. (the "**Company**") and together with its subsidiary, Hunan Anchun Advanced Technology Co., Ltd. (collectively known as "**Group**") has on 23 August 2022 received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Group's unaudited condensed interim consolidated financial statements for the half year ended 30 June 2022 released on 10 August 2022 and sets out its response as follows:-

**Question 1:** Please provide a breakdown of other liabilities amounting to RMB 15.7 million as at 30 June 2022 and RMB 17.1 million as at 31 December 2021 and disclose the nature and the ageing of these other liabilities.

**Response:**

Item by nature	30/06/2022 RMB'000		31/12/2021 RMB'000		Comments
	Balance	<1 year RMB'000	Balance	<1 year RMB'000	
<b>Other liabilities</b>					
A. Accrued salaries and bonuses	5,342	5,342	7,732	7,732	Salaries, bonuses and fees
B. Accrued welfare expenses	8,443	8,443	7,900	7,900	Labour union fees and education fees
C. Accrued operating expenses	1,874	1,874	1,433	1,433	Purchases and external audit fees
<b>Total</b>	<b>15,659</b>	<b>15,659</b>	<b>17,065</b>	<b>17,065</b>	

**Question 2:** Please explain why interest income on bank balances and deposits fell 15% to only RMB 415,000 in 1H FY2022 from RMB 488,000 in 1H FY2021 when the Group has significant cash and bank balance amounting to RMB 145.5 million as at 30 June 2022, up from RMB 78.712 million as at 30 June 2021.

**Response:**

Types of interest income	1H FY2022 RMB'000	1H FY2021 RMB'000
Principal Guaranteed Investment Products	-	204
Cash and bank balance	415	284
<b>Total</b>	<b>415</b>	<b>488</b>

The interest income decreased by RMB73,000 or 15% from RMB488,000 in 1H FY2021 to RMB415,000 in 1H FY2022 mainly due to the absence of interest income from Principal Guaranteed Investment Products 保本型理财产品 which no longer available in the market.

**By Order of the Board**

Zheng, ZhiZhong  
Executive Director and Chief Executive Officer  
25 August 2022