



**ANCHUN INTERNATIONAL HOLDINGS LTD.
(Company No. 200920277C)
(Incorporated in the Republic of Singapore)**

**MINUTES OF ANNUAL GENERAL MEETING ("AGM" or "MEETING") OF
ANCHUN INTERNATIONAL HOLDINGS LTD. (THE "COMPANY")
HELD VIA LIVE WEBCAST ON FRIDAY, 19 JUNE 2020
AT 9:30 A.M. (SINGAPORE TIME)**

PRESENT ONLINE REMOTELY:-

Directors	:	1) Ms Xie Ming (Executive Chairman) 2) Mr Zheng ZhiZhong (Executive Director and CEO) 3) Ms Dai Feng Yu (Executive Director) 4) Mr Xie DingZhong (Non-Executive Director) 5) Ms Tan Min-Li (Independent Director) 6) Professor He MingYang (Independent Director) 7) Mr Lee Gee Aik (Lead Independent Director) 8) Mr Andrew Bek (Independent Director)
Shareholders	:	As per log-in Attendance Lists
Invitees	:	As per log-in Attendance Lists
Chairman of the AGM	:	Ms Tan Min-Li

1) CHAIRMAN OF MEETING'S WELCOME ADDRESS

At 9:30 a.m., the AGM went LIVE and Ms Tan Min-Li started by greeting all to the live audio-visual webcast ("**LIVE webcast**").

Shareholders watching the LIVE webcast would have pre-registered with the Company.

Ms. Tan Min-Li introduced herself as Independent Director of the Company, and that the Executive Chairman of the Board, Ms. Xie Ming had appointed her to act as Chairman of the Meeting ("**Chairman**") to chair the AGM.

The Chairman also introduced each Board members and Chief Financial Officer, Mr He ZuBing, who were visibly present online.

On behalf of the Board, the Chairman welcomed all to the 2020 AGM of the Company via a LIVE webcast for this unprecedented first time.

2) QUORUM AND PROXIES

There being a quorum, the Chairman called the Meeting to order.

The Chairman explained that the current Safe Distancing Measures had necessitated voting by proxy only, and to the Chairman of the Meeting.



It was noted that all shareholders who wish to vote at the AGM have already appointed the Chairman to act as their proxy and the Chairman will vote in accordance with the voting instruction given by the shareholders based on the valid proxy form received by the Company. If the shareholders did not give any specific instruction for voting, it was also noted that these shares would be excluded from the total count of votes and the proxy form would also be treated as invalid.

3) NOTICE OF MEETING

It was noted that all pertinent information relating to the proposed resolutions were set out in the Notice of the AGM dated 28 May 2020 ("**Notice**") published via SGXNet and Corporate Website. The Notice was taken as read.

4) QUESTIONS AND ANSWERS ("Q&A")

The Chairman informed the Meeting that the Company had responded to the shareholders' queries received during the period from 28 May 2020 to 10 June 2020 via an announcement to SGXNet on 12 June 2020, of which a copy of the Company's announcement dated 12 June 2020 is annexed hereto for ease of reference.

For the subsequent queries from the shareholders received by the Company from 11 June 2020 up to 16 June 2020, Chairman together with Ms. Xie Ming proceeded to present the Company's responses to the said queries via LIVE webcast and a copy of the same marked as "Appendix I" is annexed hereto for reference.

5) DEMAND BY POLL

It was also noted that pursuant to Rule 730A of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), all resolutions tabled at the AGM shall be voted by way of poll.

The Chairman informed the shareholders that Boardroom Corporate & Advisory Services Pte. Ltd. and Drewcorp Advisory Services Pte. Ltd. have been appointed as Polling Agent and Scrutineer respectively.

The Chairman further informed that the validity of the proxy forms submitted by the shareholders by the submission deadline of 9:30 a.m. on 17 June 2020 had been reviewed and the votes of all such valid proxies had also been counted and verified by the Scrutineer.

Prior to the announcement of the poll result on each resolution, the Chairman also informed that the shareholders, namely Mr. Liang Gong Zheng and Mr. Huang Bao Jia, had agreed to act as proposer and seconder for all the resolutions tabled at this AGM.



6) FORMAL RESOLUTIONS

6.1) RESOLUTION 1 – ADOPTION OF THE DIRECTORS’ STATEMENT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TOGETHER WITH THE AUDITORS’ REPORT THEREON

The Chairman then moved on to table the formal resolutions, the first Resolution being the adoption of the Directors’ Statement and audited financial statements for the financial year ended 31 December 2019 together with Auditors’ Report.

As all the questions from the shareholders have been responded earlier, the Chairman then announced the tabulated results of proxy votes submitted by shareholders for Resolution 1 as follow: -

<u>Resolution 1</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted “FOR”	30,343,500	100.00
No. of votes casted “AGAINST”	0	0.00
Total No. of votes casted	<u>30,343,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared that Resolution 1 for the adoption of the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2019 together with the Auditors’ Report was unanimously carried.

6.2) RESOLUTION 2 – DECLARATION OF A FINAL DIVIDEND OF RENMINBI TWELVE CENTS (RMB\$0.12) (ONE-TIER, TAX EXEMPT) PER ORDINARY SHARE FOR FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Chairman informed the Meeting that the Board has recommended a final tax exempted (one-tier) dividend of RMB0.12 per ordinary share for the year ended 31 December 2019. The following Resolution 2 was presented to the shareholders for consideration: -

“To declare a final dividend of Renminbi Twelve cents (RMB\$0.12) (one-tier, tax exempt) per ordinary share for financial year ended 31 December 2019.”

Based on the tabulated results of proxy votes submitted by the shareholders for Resolution 2, the Chairman informed the shareholders on the poll results as follows:-

<u>Resolution 2</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted “FOR”	30,343,500	100.00
No. of votes casted “AGAINST”	0	0.00
Total No. of votes casted	<u>30,343,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared that Resolution 2 for the declaration of a final dividend was unanimously approved.



6.3) RESOLUTION 3 – RE-ELECTION OF MR. ANDREW BEK AS A DIRECTOR

The Chairman informed the Meeting that Mr. Andrew Bek is subject to retirement pursuant to Article 89 of the Company's Constitution but is eligible to seek for re-election at this AGM. Upon his re-election as a Director of the Company, Mr. Andrew Bek will continue to serve as Independent Director cum member of the Audit Committee.

As there was no question received by the Company on Resolution 3, the Chairman announced the poll results as follows:-

<u>Resolution 3</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted "FOR"	28,743,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	<u>28,743,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared Resolution 3 for the re-election of Mr. Andrew Bek as Director of the Company was unanimously approved.

6.4) RESOLUTION 4 - RE-ELECTION OF MR. ZHENG, ZHIZHONG AS A DIRECTOR

The Chairman informed the Meeting that Mr. Zheng, ZhiZhong is subject to retirement pursuant to Article 89 of the Company's Constitution but is eligible to seek for re-election at this AGM. Upon his re-election as a Director of the Company, Mr. Zheng, ZhiZhong will continue to serve as Executive Director cum Chief Executive Officer.

As there was no question received by the Company on Resolution 4, the Chairman announced the poll results as follows:-

<u>Resolution 4</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted "FOR"	30,343,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	<u>30,343,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared Resolution 4 for the re-election of Mr. Zheng, ZhiZhong as Director of the Company was unanimously approved.

6.5) RESOLUTION 5 – RE-ELECTION OF MR. XIE, DINGZHONG AS A DIRECTOR

The Meeting was informed that Mr. Xie, DingZhong is subject to the retirement pursuant to Article 89 of the Company's Constitution but is eligible to seek for re-election at this AGM. Upon his re-election as a Director of the Company, Mr. Xie, DingZhong will continue to serve as Non-Independent Non-Executive Director cum member of Nominating Committee and Remuneration Committee.



As there was no question received by the Company on Resolution 5, the Chairman announced the poll results as follows:-

<u>Resolution 5</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted "FOR"	30,343,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	<u>30,343,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared Resolution 5 for the re-election of Mr. Xie, DingZhong as Director of the Company was unanimously approved.

6.6) RESOLUTION 6 – PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

The Chairman informed the Meeting that the proposed payment of Directors’ fees was up to S\$319,000 for the financial year ending 31 December 2020 as set out in the Resolution 6 and it was based on the earlier Board composition prior to the retirement of an Independent Director, Mr. Yang, ChunSheng, on 1 June 2020. Hence, the actual payment of the Directors’ fee to the Independent Directors and Non-Executive Directors for the financial year ending 31 December 2020 may be lower due to the said change in the Board composition.

As there was no question received by the Company on Resolution 6, the Chairman announced the poll results as follows:-

<u>Resolution 6</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted "FOR"	28,743,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	<u>28,743,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared Resolution 6 for the payment of Directors’ fees up to S\$319,000 for the financial year ending 31 December 2020 was unanimously approved.

6.7) RESOLUTION 7 – RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS AUDITORS OF THE COMPANY AND AUTHORITY TO DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed the Meeting that the Resolution 7 was relating to the re-appointment of Messrs Ernst & Young LLP as the auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

As there was no question received by the Company on Resolution 7, the Chairman announced the poll results as follows:-

<u>Resolution 7</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted "FOR"	30,343,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	<u>30,343,500</u>	<u>100.00</u>



Based on the poll results, the Chairman declared Resolution 7 for the re-appointment of Messrs Ernst & Young LLP as the auditors of the Company for the ensuing year and the Directors be authorised to fix their remuneration was unanimously approved.

6.8) RESOLUTION 8 – AUTHORITY TO ISSUE SHARES

The Chairman informed the Meeting that Resolution 8 is to authorise the Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual.

It was noted that Resolution 8, if passed, will empower the Directors from the date of this meeting until the date of the next AGM to issue shares and convertible securities in the Company. The maximum number of shares which the Company may issue under this resolution shall not exceed the quantum set out in the Notice of this meeting.

As there was no question received by the Company on Resolution 8, the Chairman announced the poll results as follows:-

<u>Resolution 8</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
No. of votes casted "FOR"	30,343,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	<u>30,343,500</u>	<u>100.00</u>

Based on the poll results, the Chairman declared Resolution 8 was unanimously carried and passed as an Ordinary Resolution. It was hereby RESOLVED: -

*"That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:*

- (a) (i) *issue shares in the Company (the "**Shares**"), whether by way of rights, bonus or otherwise; and/or*
- (ii) *make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,*
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may, in their absolute discretion, deem fit; and
- (b) *issue Shares in pursuance of any Instrument made or granted by the Board while such authority was in force (notwithstanding that such issue of the Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution);*



provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);*
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:*
 - (a) new shares arising from the conversion or exercise of any convertible securities;*
 - (b) New shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual; and*
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;*

provided such adjustment in sub-paragraphs (2) (a) and (b) above are only to be made in respect of new shares arising from the convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company;*
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."*

6.9) RESOLUTION 9 –RENEWAL OF THE SHARE PURCHASE MANDATE

It was noted that the last item of the agenda of today AGM is relating to the renewal of share purchase mandate.



The Chairman informed the Meeting that Resolution 9, if passed, will empower the Directors to make purchase (whether by way of Market Purchase or Off-Market Purchases on an equal access scheme) from time to time during Relevant Period (as hereinafter defined) of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter to Shareholders dated 28 May 2020 accompanying the notice of AGM.

As there was no question received by the Company on Resolution 9, the Chairman announced the poll results as follows:-

Resolution 9	No. of Shares	Percentage (%)
No. of votes casted "FOR"	30,343,500	100.00
No. of votes casted "AGAINST"	0	0.00
Total No. of votes casted	30,343,500	100.00

Based on the poll results, the Chairman declared the Resolution 9 was unanimously carried and passed as an Ordinary Resolution. It was hereby RESOLVED: -

"That:

- (a) *for the purpose of the Companies Act, Cap. 50 of Singapore (the "**Companies Act**")*, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) *an on-market purchase ("**Market Purchase**") effected on the SGX-ST through the ready market, which may be transacted through one or more duly licensed stock brokers appointed by the Company for that purpose; and/or*
 - (ii) *an off-market purchase ("**Off-Market Purchase**") effected pursuant to an equal access scheme, as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,*
*and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "**Share Purchase Mandate**")*;
- (b) *any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act;*



- (c) *unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period which is period commencing from the passing of this Resolution relating to Share Purchase Mandate and expiring on the earlier of:*
- (i) *the date on which the next AGM of the Company is held or is required by law to be held;*
 - (ii) *the date on which the share purchases are carried out to the full extent mandated; or*
 - (iii) *the date on which the authority contained in the Share Purchase Mandate is varied or revoked;*
- (d) *for purpose of this Resolution:*

"Prescribed Limit" means that number of Shares representing not more than ten per cent (10%) of the total number of issued Share (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution in relation to the Share Purchase Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Share (excluding treasury shares and subsidiary holdings) shall be taken to be the total number of Share as altered after such capital reduction (excluding any treasury shares and subsidiary holdings, any may be held by the Company from time to time).

"Relevant Period" means the period commencing from the date of the resolution passed in relation to the Share Purchase Mandate and expiring on the date on which the next AGM is held or required by law to be held, whichever is the earlier, unless prior thereto, the Share Purchase has been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting;

"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) *in the case of a Market Purchase, 105% of the Average Closing Price; and*
- (ii) *in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price;*

Where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant



to the Off-Market Purchase, and deemed to be adjusted in accordance with Listing Manual of the SGX-ST for any corporate action that occurs during the relevant 5 Market Days and the day on which the purchase or acquisition of Shares is made;

"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

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- (e) *the Directors and/or any of them be and are/is hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution relating to Share Purchase Mandate."*

CONCLUSION

There being no other business to transact at this AGM, the Chairman thanked shareholders for their attendance and declared the AGM concluded at 10:00 a.m.

CONFIRMED:

<signed>

TAN MIN-LI

Chairman of the Meeting



ANCHUN INTERNATIONAL HOLDINGS LTD.

Co. Registration Number: 200920277C

Co. Address: 81 Anson Road, Suite 8.20, Singapore 079908

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

**ANNUAL GENERAL MEETING TO BE HELD ON 19 JUNE 2020
RESPONSES TO SUBSTANTIAL QUESTIONS FROM SHAREHOLDERS**

The Board of Directors (the "**Board**") of Anchun International Holdings Ltd. (the "**Company**") refer to the Notice of Annual General Meeting dated 28 May 2020 relating to the Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on 19 June 2020 at 9:30 a.m. and would like to provide the responses to substantial questions raised by its shareholders for the period from 28 May 2020 to 10 June 2020 as follows:-

Question 1: The order book is declining and whether the management is confident of getting sufficient order to maintain Chemical Systems and Components ("CSC") business at the end of the year?

Company's Response:

The COVID-10 pandemic has affected many businesses around the world. It is still evolving and with the resulting uncertainties caused by it, businesses are finding it challenging to make long term planning.

The Group is focusing on its R&D efforts to improve and enhance the technology of its products and also focus its marketing efforts in order to be more competitive in the market and to attract more customers. These efforts will better position the Group to take advantages of opportunities when they arise as part of the Group's efforts to secure more orders.

Management will closely monitor the evolving economic environment and take the necessary actions to respond to market changes.

Question 2: Since the Company has ceased to release its financial statements on a quarterly basis and whether the Company will provide some business update including the order book on quarterly basis?

Company's Response

As previously announced by the Company, the Company will adopt the announcement of half-yearly financial statements with effect from the financial year ending 31 December 2020. Hence, the next announcement of the Group's financial results will be in respect of

the six-month period ending 30 June 2020, which will be announced via SGXNET on or before 14 August 2020.

The Company will continue its proactive engagement with stakeholders through its various communication channels, including providing relevant business updates between the announcements of half-yearly financial statements.

Question 3: In the Annual Report 2019, there is a breakdown of the trade receivables that are past due but not impaired but no breakdown for the bills receivable. Are there any bills receivable that are past due?

Company's Response

There are no bills receivable past due at 31 December 2019.

The Company would like to inform our shareholders that any subsequent queries after 10 June 2020 until 16 June 2020, by 9:30 a.m. will be addressed during the AGM.

By Order of the Board

Xie Ming
Executive Chairman
12 June 2020

APPENDIX I

COMPANY'S RESPONSES TO THE QUESTIONS RAISED BY SHAREHOLDERS DURING THE PERIOD FROM 11 JUNE 2020 TO 16 JUNE 2020

Question 1: Although the company will not be reporting financial results quarterly, please give a business update like the order book every quarter. Please provide the latest order book figures.

Company's Response:

As previously announced by the Company on 29 February 2020, the Company will adopt the announcement of half-yearly financial statements with effect from the financial year ending 31 December 2020. Hence, the next announcement of the Group's financial results will be in respect of the six-month period ending 30 June 2020, which will be announced via SGXNET on or before 14 August 2020.

The Company will continue its proactive engagement with stakeholders through its various communication channels, including providing relevant business updates between the announcements of half-yearly financial statements.

Question 2: Is the Chinese government still carrying out its anti-pollution policies. If so, can Anchun benefit from this.

Company's Response:

The China Government's pollution control policies are still in place. The Group has secured tail-gas re-utilization projects due to customer's compliance measures in pollution-control and resource re-utilization.

The Group continues to take initiatives to develop revenue streams in the emission-control and industrial tail-gas re-utilization area. Anchun's proprietary technologies of ammonia, methanol and hydrogen production have broad application potential in coke, steel and metallurgy industries for tail-gas re-utilization.

Question 3: On page 5 of the annual report, it states that the company is a certified supplier for the Sinopec Group. Please elaborate on the significance of being a certified supplier, and also whether this can bring about a sustained business revenue stream?

Company's Response:

China Petrochemical Corporation (or "**Sinopec Group**") is the world's largest oil refining, gas and petrochemical conglomerate, administered by State-owned Assets Supervision and Administration Commission (SASAC) for the State Council of the People's Republic of China and Sinopec Group also ranked in the top 3 in the Fortune Global 500 list in 2018 and 2019.

The Group had marketed its capabilities in the design and manufacture of customized equipment to Sinopec Group. After thorough review and audit by Sinopec, the Company has successfully become the certified supplier to Sinopec Group for new-build and re-vamp engineering projects. This will benefit the growth of the equipment manufacturing business as well as to enhance the Group's performance.

Question 4: What are the specific structural reforms and government policies that can bring about more business opportunities for the company?

Company's Response:

Food security and energy security are emphasized by The National People's Congress (NPC) of China in May 2020. Anchun's customers in the fertilizer industry are fundamental to China's food security. Anchun's methanol and hydrogen production technology also have broad application potential in energy industry. Tightened environment protection policies are beneficial to the Group for it creates opportunities to help customers find sustainable solutions.

Question 5: Amidst the competitive landscape, how does the company differentiate itself from our competitors? Which are the key products and services that the company have a clear technology/competitive advantage?

Company's Response:

The Company is a one-stop solutions provider offering a full scope of services ranging from design and manufacturing to system production and project management for our customers; as well as a well-represented technology licensor and equipment provider in China in ammonia, methanol and isothermal CO shift technologies. We are differentiating ourselves from our competitors in terms of customer service track record, certifications, number and performances in reference plants, research and patenting capabilities including ammonia technology, methanol technology and other ammonia syntheses technologies and reactor design and EPC capabilities.

As further explained on page 18 of the Annual Report and Sustainability Report 2019, our production facilities and processes are awarded for engineering design with focus on the environment accordingly.

Nevertheless, the Company is mindful of the current competitive business environment where the customers are also under pressure to sustain its business in a capital-intensive industry.

Question 6: What are the specific strategies/areas of focus does the company have for sustained growth in the mid to long term?

Company's Response:

Our Group will continue to tap on existing market and sectors of proprietary technologies such as synthesis technology and CO shift technology to increase our market share as we broaden the application of proprietary technologies in different sectors and open up new markets.

Going forward, we will direct our focus on enhancing project implementation processes to increase efficiency and market share. Our focus will be on developing new technologies like isothermal ammonia synthesis, and catalyst for its application. We will also research and promote low temperature heat utilisation technology and commercialization.

The Group will continue to exercise financial prudence as we continue our research efforts to enhance our portfolio of patented products and technical competency, so as to maintain our competitive advantage and be well-poised to explore any opportunities that may arise.

Question 7: Company has not paid a dividend since FY2010, while as a shareholder, I am happy to see that we are proposing a dividend for FY2019 after 8 years of zero dividend, can the company help shareholders understand what is Anchun stand on dividends, how dividends are decided?

Company's Response:

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans, taxation and approval from PRC authorities for remittance of funds overseas and other factors as the Board may deem appropriate.

Question 8: Will the company commit to a formal dividend policy? Considering that the company is trading significantly below the net cash per share of approximately \$0.43, and net asset value per share of approximately \$1.18, by committing to a formal dividend policy and paying out dividend on a yearly basis according to the formal dividend policy, will definitely narrow the discount to net cash and net asset value. Will the board, especially the independent directors, look seriously into this aspect and any other measures in view of the notion of "increasing the value of the Company and its value to shareholders" as prescribed in page 21 of the annual report: corporate governance.

Company's Response:

As explained earlier, the Company does not have a fixed dividend policy.

Considering the uncertainty in the current economic outlook caused by Covid-19 pandemic, businesses globally are facing challenging time to plan long-term. The Board is closely monitoring the economic environment and market situation and formulating plans and actions to steering the Group through this challenging period. It will revisit this matter when the economic environment and market condition are clearer and stabilised.