	ANCHUN INTERNATIONAL HOLDINGS LTD. Company Registration Number: 200920277C (Incorporated in the Republic of Singapore)

RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors ("**Board**") of Anchun International Holdings Ltd. (the "**Company**", together with its subsidiary, the "**Group**") refers to the queries raised by Securities Investors Association (Singapore) ("**SIAS**") in its email dated 14 April 2025 in relation to the Company's Annual Report for the year ended 31 December 2024 ("**AR 2024**") and wishes to provide the following information in response to the queries:-

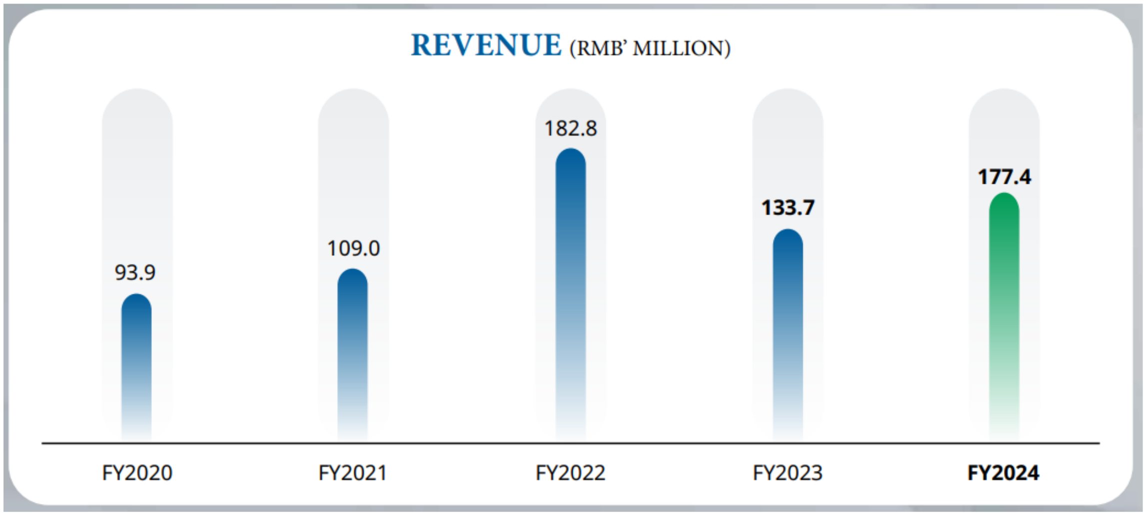
Question 1

During the year under review, the group achieved 32.7% revenue growth, rising from RMB133.7 million in FY2023 to RMB177.4 million in FY2024. Growth was primarily driven by the chemical systems and components (CSC) business, which surged 45% year-on-year to RMB151.3 million.

However, slower demand impacted the catalyst and engineering services segments, with revenues declining by 8% and 20% to RMB18.3 million and RMB7.8 million respectively.

Net profit attributable to shareholders increased 358% to RMB10.9 million, up from RMB2.4 million in FY2023. As at 31 December 2024, the order book stood at RMB130 million.

The group's revenue trend in the past 5 years is shown below (page 7 of the annual report). Historically, the group's revenue seldom exceeded RMB150 million, going back all the way to 2010 since its listing, and on several occasions dipped below RMB100 million. FY2024 and FY2022 results (RMB177.4 million and RMB182.8 million, respectively) are encouraging signs of potential structural growth.



(i) Has the board defined a scalable growth blueprint with clearly phased targets (e.g. RMB250 million → RMB350 million → RMB500 million and beyond)? What are the current structural or operational bottlenecks impeding growth?

Response:
The Board has strengthened its target management and budget management, developed a 3 to 5 years development strategy, and formulated a phased and progressive dual - growth strategy for revenue and profit, aiming to drive the annual growth of ROE. It focuses on the demands of large - scale domestic modern chemical projects, the integrated demands for green hydrogen, ammonia and methanol, and global business cooperation, etc., to achieve the comprehensive development of the Group's CSC, Engineering Services, and Catalyst business segments. Currently, key structural bottlenecks include buyers' pricing power in the domestic market, competitors' marketing and sales tactics and a slowdown in overall industrial growth. We are striving to recruit and develop more talents from within the Group to prepare for more opportunities in different geographies.

(ii) When is the current RMB130 million order book expected to be recognised as revenue? How much of this is short-cycle vs long-lead projects?

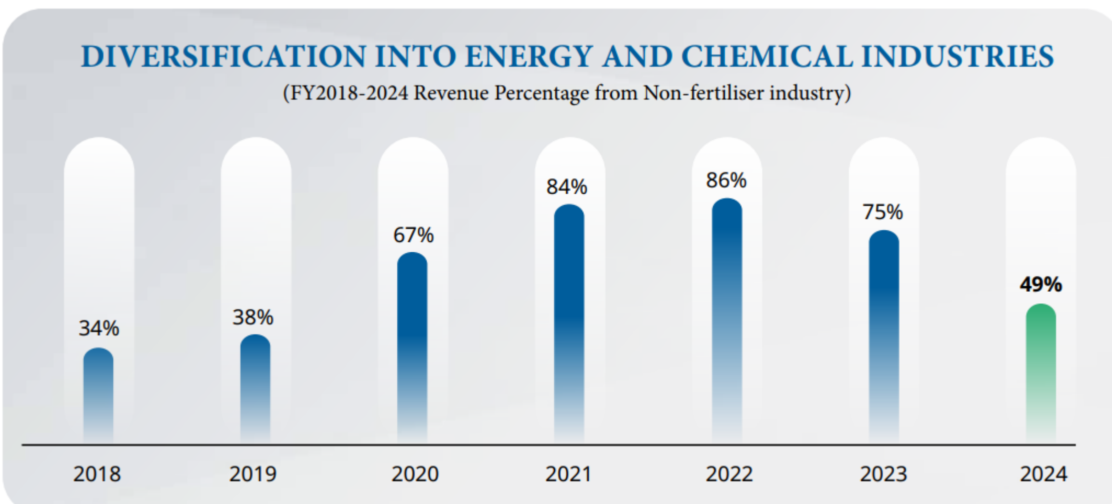
Response:
The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 is RMB129,987,000 (31 December 2023: RMB175,127,000). The Group expects to recognise the said amount as revenue over a few tranches in the next two financial years. These orders mainly come from projects with a cycle of less than 12 months. This distribution balances near-term revenue visibility with long-term project pipeline stability.

The CSC business remains the group's key driver.

(iii) What are the near- and medium-term growth opportunities within this segment, both in China and globally? Which end-user industries are showing the most promise?

Response:
In the short term, the CSC segment will benefit from the construction of large - scale modern chemical projects promoted by China's efforts to boost the loop-in development to stimulate domestic demand; and the growth in market demand for the integration of green hydrogen, ammonia, and methanol. In the medium term, there is a growing demand for the development of green energy under the global pressure for carbon-neutral and carbon-peak. Driven by the decarbonization trend, end - users in sectors such as renewable energy, green energy, and production of high - purity chemicals are showing the most promise.

Separately, the group has been actively diversifying its customer base away from the fertiliser industry. Yet, over the past two years, the revenue contribution from non-fertiliser industries has declined.



(Source: company annual report)

(iv) What caused this reversal, and how is management responding?

Response:
The decline in non-fertiliser industry revenue percentage contribution was mainly due to two factors. On one hand, some key industrial clients have reduced their investments under the headwinds of the macro – economy while fertilizer industry is critical for strategic food security, plus that these industries are all capital intensive, so year-to-year fluctuations are expected. On the other hand, the overall revenue growth of the Group has led to a decrease in the proportion of non - fertilizer revenue. The management is expanding its business sources by further optimizing and upgrading the comprehensive projects of re-utilization of industrial off gas. Meanwhile, it is strengthening participation in new energy and renewable energy projects as well as overseas markets to for both fertiliser and non - fertilizer revenue streams.

Question 2

The group has focused on expanding into high-value chemical segments and strengthening its global footprint. In recent years, it has delivered several notable overseas milestones:

- Deployment of a CO isothermal shift reactor at a refinery in Thailand
- Completion of a Synloop feasibility study for a green methanol project in Turkey
- Delivery of an ammonia reactor shell to a project in Africa
- Completion of a 1,000 metric tonnes per day ammonia process design package (PDP) for STAMICARBON B.V. in the Netherlands

(i) What were the key lessons and execution challenges from recent overseas projects, particularly in Thailand and Zambia, given these were the group's first major international undertakings three years ago? Were they delivered on time, on budget, and to contractual expectations?

Response:
Through our international projects in Thailand and Zambia, we gained invaluable experience in managing complex overseas undertakings. In Thailand, specifically for the CO isothermal shift reactor project, we collaborated closely with leading China-based technology suppliers, which helped us meet the technical requirements while ensuring full compliance with ASME standards. This project significantly strengthened our ability to manage international partnerships and technical specifications.

In Zambia, we deepened our understanding of the unique challenges in design, manufacturing, quality control, and logistics. Navigating these complexities taught us important lessons in adapting to local conditions and managing the entire supply chain effectively.

Both projects were successfully delivered on time, within budget, and met all contractual expectations, marking a significant milestone in our group's international expansion.

In 2024, we have logged in 903 man-hours in a short period of two months on ASME and PED certified trainings, which brought us up to alignment to international codes and standards. We also engaged in-person English-speaking training classes for our key personnels for one afternoon every week on a long-term basis to prepare for more global project capabilities.

(ii) Have any of the clients awarded follow-on contracts or project extensions, indicating recurring business potential and customer satisfaction?

Response:
The Group is cautiously optimistic about accessing a recurring stream of business from a broader customer base through China-based global EPC contractors and world-wide brand name STAMICARBON B.V. in the Netherlands since the signing of the long-term strategic cooperation agreement in 2024.

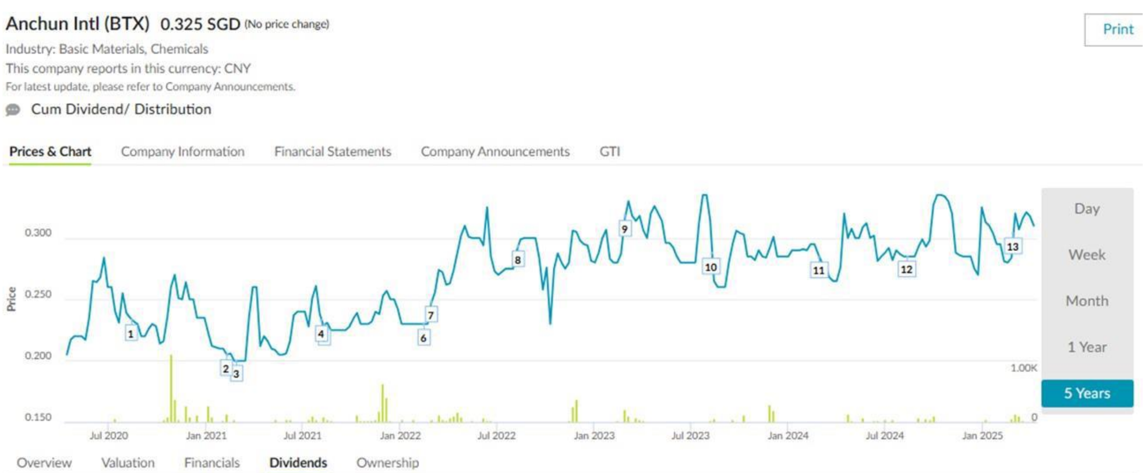
(iii) Has the group explored strategic collaborations with large Chinese EPC contractors or plant operators with foreign operations, to improve market access, bidding scale, or project execution abroad?

(iv) Has the board explored partnering with Chinese EPCs operating under the Belt and Road Initiative, especially in Africa, Central Asia, or the Middle East? Could such partnerships improve risk-sharing, mobilisation speed, or localisation capacity?

Response to iii and iv:
The Group has explored cooperations on a project basis with large Chinese EPC contractors to enhance bidding competitiveness and access regional markets, such as those under the Belt and Road Initiative. These collaborations aim to leverage EPC contractors' local networks for faster project mobilization and risk-mitigation experience, particularly in Africa and Central Asia.

Question 3

The directors have proposed a tax-exempt (one-tier) final cash dividend of RMB0.12 per ordinary share, amounting to a total dividend payout of RMB5.6 million.



Ex-Date	Record Date	Payment Date	Particulars
30 Apr 2025	02 May 2025	22 May 2025	Rate: CNY 0.12 Per Security
02 May 2023	03 May 2023	24 May 2023	Rate: CNY 0.12 Per Security
24 Jun 2020	25 Jun 2020	17 Jul 2020	Rate: CNY 0.12 Per Security

(Source: https://investors.sgx.com/securities/stocks?security=BTX)

As at 31 December 2024, the company held RMB120 million in short-term deposits and RMB76.9 million in cash and cash equivalents, reflecting a strong balance sheet position.

(i) Can the board explain the irregular and lumpy dividend track record, particularly given the group's sustained cash reserves and net cash position?

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.

(ii) What were the key considerations and financial thresholds evaluated by the board when deciding on the final dividend each year?

Response:
Key considerations include net profit margin, free cash flow, and net cash position to ensure that dividend payments are sustainable without affecting liquidity or growth investments. The Board considers management's recommendations and determines the annual dividend payout plan with reference to the above factors and shareholders' feedback.

(iii) Will the board consider adopting a formal dividend policy or payout framework tied to earnings, free cash flow, or net cash position to improve investor visibility and strengthen confidence in the group's capital discipline?

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

Considering the uncertainty in the current economic outlook, 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 conditions are clearer.

By Order of the Board

Zheng, ZhiZhong
Executive Director and Chief Executive Officer
17 April 2025