



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

**MINUTES OF ANNUAL GENERAL MEETING ("AGM" or "MEETING") OF THE
COMPANY HELD BY ELECTRONIC MEANS
ON WEDNESDAY, 26 APRIL 2023 AT 9:30 A.M.**

- Date : Wednesday, 26 April 2023
- Time : 9:30 a.m.
- Mode of Meeting : By way of electronic means (Live Webcast)
- Directors present : 1) Ms. Xie Ming (Non-Executive Chairman)
2) Mr. Zheng Zhi Zhong (Executive Director and CEO)
3) Ms. Dai Feng Yu (Executive Director)
4) Mr. Xie Ding Zhong (Non-Executive Director)
5) Ms. Tan Min-Li (Independent Director)
6) Professor He Ming Yang (Independent Director)
7) Mr. Lee Gee Aik (Lead Independent Director)
8) Mr. Andrew Bek (Independent Director)
- Shareholders : As per log-in Attendance Lists
- Chairman of the Meeting : Ms. Tan Min-Li ("**Ms. Tan**")

1) INTRODUCTION

- 1.1 Ms. Tan was invited to assist the Non-Executive Chairman, Ms. Xie Ming to lead the proceedings of the Meeting. Ms. Tan extended a warm welcome to the shareholders.
- 1.2 Ms. Tan proceeded to introduce Directors of the Company present at the AGM and also informed that the Chief Financial Officer, Financial Controller, Company Secretary, Auditors, Share Registrar, Polling Agent and Scrutineers were in attendance at the AGM.

2) QUORUM

There being a quorum, Ms. Tan called the Meeting to order at 9:30 a.m.

3) NOTICE OF MEETING

It was noted that all pertinent information relating to the proposed resolutions were set out in the Notice of this AGM ("**Notice**") together with the Annual Report for the financial year ended 31 December 2022 and Letters to Shareholders in relation to the Proposed Renewal of Share Purchase Mandate had been published on SGXNet and Corporate Website on 10 April 2023. The Notice was taken as read.



4) PROCEEDINGS AND VOTING PROCEDURES

- 4.1 The Chairman informed that the voting of the Meeting shall be voted by way of poll and in accordance with the various regulatory guidelines, voting in this Meeting shall be carried out "live" by the shareholders themselves, or by their duly appointed proxies via electronic means, or by appointing the Chairman of the Meeting as proxy to vote on their behalf at the Meeting.
- 4.2 Ms. Tan also informed the Meeting that Shareholders would be able to submit questions "live" by using the text box or live chat function of this platform at the Meeting and requested that Shareholders only submit questions that are substantial and relevant to the agenda of the Meeting.
- 4.3 Ms. Tan proposed that the results of the poll on all Resolutions be tabulated by the Polling Agent and confirmed by the Scrutineers after each Resolution had been tabled. It was noted that Boardroom Corporate & Advisory Services Pte. Ltd. and Reliance 3P Advisory Pte. Ltd. have been appointed as Polling Agent and Scrutineer respectively.
- 4.4 Before proceeding with the agenda of the Meeting, the step-by-step guide together with a short video clip on the online live voting module was presented to the shareholders, corporate representative or proxies of the Company.

AS ORDINARY BUSINESS

**5) ORDINARY RESOLUTION 1
ADOPTION OF THE DIRECTORS' STATEMENT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE AUDITORS' REPORT THEREON**

- 5.1 Ms. Tan informed the Meeting that the Ordinary Resolution 1 was to receive and adopt the Directors' Statement and audited financial statements for the financial year ended 31 December 2022 together with Auditors' Report.
- 5.2 The following resolution was proposed to put to vote by poll: -

"RESOLVED that the Directors' Statement and the audited financial statements of the Company for the financial year ended 31 December 2022 together with the auditors' report thereon be hereby received and adopted."

**6) ORDINARY RESOLUTION 2
DECLARATION OF A TAX EXEMPT (ONE-TIER) FIRST AND FINAL DIVIDEND OF RENMINBI TWELVE CENT (RMB0.12) PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AS RECOMMENDED BY THE BOARD OF DIRECTORS OF THE COMPANY**

- 6.1 Ms. Tan informed the Meeting that the resolution 2 was to approve the declaration and payment of a tax exempt (one-tier) first and final dividend of Renminbi Twelve Cents (RMB0.12) per ordinary share for the financial year ended 31 December 2022.



- 6.2 This final dividend, once it is approved at this AGM, would be paid on 24 May 2023 and the following Resolution 2 was put to vote by poll: -

"RESOLVED that a tax exempt (one-tier) first and final dividend of Renminbi Twelve Cents (RMB\$0.12) per ordinary share for the financial year ended 31 December 2022 be and are hereby approved."

**7) ORDINARY RESOLUTION 3, 4 AND 5
RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRE BY ROTATION
IN ACCORDANCE WITH ARTICLE 89 OF THE CONSTITUTION OF THE
COMPANY AND BEING ELIGIBLE, OFFER THEMSELVES FOR RE-ELECTION AS
DIRECTORS OF THE COMPANY: -**

- (I) ANDREW BEK
(II) ZHENG ZHIZHONG; AND
(III) DAI FENGYU**

Ms. Tan informed the Meeting that in accordance with the Article 89 of the Company's Constitution, at each AGM, 1/3 of the Board of Directors for the time being or the number nearest to 1/3 shall retire from office by rotation, so that all Directors shall retire from office at least once in each 3 years but shall be eligible for re-election.

At this AGM, the following 3 Directors were subject to retirement under Article 89 of the Constitution of the Company: -

- (i) Mr. Andrew Bek;
(ii) Mr. Zheng ZhiZhong; and
(iii) Ms. Dai FengYu

The following Ordinary Resolution 3, 4 and 5 were proposed to put to vote by poll:-

Ordinary Resolution 3

"RESOLVED that Mr. Andrew Bek who retired pursuant to Article 89 of the Company's Constitution, be hereby re-elected as a Director of the Company."

Ordinary Resolution 4

"RESOLVED that Mr. Zheng ZhiZhong who retired pursuant to Article 89 of the Company's Constitution, be hereby re-elected as a Director of the Company."

Ordinary Resolution 5

"RESOLVED that Ms. Dai FengYu who retired pursuant to Article 89 of the Company's Constitution, be hereby re-elected as a Director of the Company."

Upon approval being obtained for the foregoing resolutions in relation to the re-election of Directors, Mr. Andrew Bek would remain as Independent Non-Executive Director cum Member of Audit Committee, while Mr. Zheng ZhiZhong would remain as Executive Director cum Chief Executive Officer and Ms. Dai FengYu would continue to serve as Executive Director of the Company.



**8) ORDINARY RESOLUTION 6
PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31
DECEMBER 2023**

8.1 Ms. Tan informed the Meeting that the next item of the agenda was to approve the payment of Directors' fees for the financial year ending 31 December 2023 and the following Ordinary Resolution 6 was proposed to put to vote by poll: -

"RESOLVED that the Directors' fees of up to S\$346,000 for the financial year ending 31 December 2023 be and are hereby approved."

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

9.1 Ms. Tan informed the Meeting that the Ordinary 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.

9.2 It was noted that Messrs Ernst & Young LLP had expressed their willingness to accept re-appointment.

9.3 It was proposed that the following Ordinary Resolution 7 was put to vote by poll:

"RESOLVED that Messrs Ernst & Young LLP be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors."

10) ANY OTHER ORDINARY BUSINESS

Ms. Tan informed that no notice was received for transacting of any other ordinary business at the Meeting.

Ms. Tan then proceeded to the Special Business to be transacted at the Meeting.

AS SPECIAL BUSINESS

**11) ORDINARY RESOLUTION 8
AUTHORITY TO ISSUE SHARES**

11.1 Ms. Tan informed the Meeting that the Ordinary Resolution 8 is to authorise the Directors to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual, the details of which were set out in the text of the Ordinary Resolution 8 in the Notice of the AGM.

11.2 This Ordinary 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.



- 11.3 It was proposed that the Ordinary Resolution 8, the full text of which was set out in the Notice of AGM, was taken as read and was put to vote by poll.

**12) ORDINARY RESOLUTION 9
RENEWAL OF THE SHARE PURCHASE MANDATE**

- 12.1 Ms. Tan informed the Meeting that the last item of the agenda of this Meeting was relating to the renewal of share purchase mandate.
- 12.2 It was noted that the Resolution 9, if passed, to 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.
- 12.3 The details of the Proposed Renewal of Share Purchase Mandate were stated in the Letter to Shareholders dated 11 April 2023 which had forwarded to shareholders together with the notice of this AGM.
- 12.4 It was proposed that the Ordinary Resolution 9, the full text of which was set out in the Notice of AGM, was taken as read and was put to vote by poll

13) QUESTIONS FROM SHAREHOLDERS

- 13.1 Ms. Tan informed the Meeting that the Company had responded to the shareholders' queries received prior to this Meeting via an announcement to SGXNet on 21 April 2023, of which a copy of the said announcement was annexed hereto as "Appendix I" for ease of reference.
- 13.2 Ms. Tan also informed that the Company had received additional question from the Shareholder during the AGM. At this juncture, Ms. Tan handed over the meeting to the Chairman of the Board of Directors, Ms. Xie Ming to go through the questions received from the shareholders and the Company's reply.
- 13.3 The question raised by the shareholder were summarized and responded in the following manner:-

(a) **Question:** *Does the Company have any competitive in the green ammonia, green methanol and green hydrogen space? Can management kindly elaborate on how the Company can participate in the growth of this segment?*

Company's response: *The Company has been engaging with its customers and also in its feasibility study to explore the various technical and commercial aspect relating to the above subject matter. Further, the Group has also managed to secure one contract relating to the equipment design in connection with green ammonia projects.*

The challenges faced by the Group is to maintain a stable hydrogen flow and the Group has been exploring various means to optimize its design with constant research and discussions with its customers.



13.4 As there was no further question received from the shareholders, the Meeting was handover back to Ms. Tan.

14) POLL VOTING

14.1 Ms. Tan informed that the shareholders, namely Mr. Liang GongZheng and Mr. Huang BaoJia, have agreed to propose and second all the nine (9) resolutions tabled at this AGM.

14.2 Since all the relevant questions have been addressed, a poll be taken on each Resolution tabled at this AGM. Ms. Tan then directed the shareholders to cast their votes for each resolution tabled at this Meeting.

15) ANNOUNCEMENT OF THE POLL RESULTS

15.1 Ms. Tan thanked the shareholders for their votes and noted that the votes had been counted by the Polling Agent and verified by Scrutineer.

15.2 Ms. Tan informed shareholders that the results of the valid votes, which had been counted by the polling agent and verified by the Scrutineer, were as follows: -

Resolution No.	No. of Votes Voted "For"	%	No. of Votes Voted "Against"	%
<u>Ordinary Resolution 1</u> To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 2</u> To declare and pay a tax exempt (one-tier) first and final dividend of Renminbi Twelve Cents (RMB\$0.12) per ordinary share for the financial year ended 31 December 2022	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 3</u> To re-elect Andrew Bek as Director of the Company	27,975,000	100.00	0	0.00



Resolution No.	No. of Votes Voted "For"	%	No. of Votes Voted "Against"	%
<u>Ordinary Resolution 4</u> To re-elect Zheng Zhi Zhong as Director of the Company	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 5</u> To re-elect Dai Feng Yu as Director of the Company	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 6</u> To approve the payment of Directors' fees of up to S\$346,000 for the financial year ending 31 December 2023 (2022: S\$346,000)	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 7</u> To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 8</u> Authority to allot and issue shares	27,975,000	100.00	0	0.00
<u>Ordinary Resolution 9</u> Renewal of Share Purchase Mandate	27,975,000	100.00	0	0.00

Based on the verified poll results, Ms. Tan declared that all the Ordinary Resolutions 1 to 9 were unanimously carried.



*Anchun International Holdings Ltd.
Minutes of Annual General Meeting held on 26 April 2023
Page 8*


CONCLUSION

There being no other business to transact at this AGM, Ms. Tan thanked shareholders for their attendance and declared the AGM concluded at 9:55 a.m.

CONFIRMED:

[Signed]

TAN MIN-LI
Chairman of the Meeting

	<p>ANCHUN INTERNATIONAL HOLDINGS LTD.</p> <p>Co. Registration Number: 200920277C</p> <p>Co. Address 138 Cecil Street, #12-01A Cecil Court, Singapore 069538</p> <p>Principal Office: 539 Lusong Road, Changsha Hi-tech Development Zone, Changsha, Hunan, China</p>
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**ANNUAL GENERAL MEETING TO BE HELD ON 26 APRIL 2023
RESPONSES TO SUBSTANTIAL QUESTIONS FROM SHAREHOLDERS**

The Board of Directors ("**Board**") of Anchun International Holdings Ltd. ("**Company**", together with its subsidiary, "**Group**") refer to the Notice of Annual General Meeting dated 11 April 2023 relating to the Annual General Meeting ("**AGM**") of the Company to be held by way of electronic means on 26 April 2023 at 9:30 a.m. and would like to provide the responses to substantial questions raised by its shareholders as follows:

Question 1: How has the advancement in self-developed technologies and the award of patents over the years contributed to the top and bottom line, in quantifiable terms?

Response:

The achievements from self-developed technologies and the award of patents gives us a strong representation of competitiveness. The group's revenue streams and profits over the years have been derived from our core technological capabilities. We like to believe that in all our successful tenders, the customers selected Anchun because our core technological capabilities are better than our competitors and better able to meet the needs and demands of our customers.

Question 2: The company share price is trading at about 25% of NTA, and persistently way below net cash value. The company should seriously consider more aggressive share buy-backs, a higher dividend payout whenever possible, a disposal of non-core assets and other means to enhance shareholder value.

Response:

The Company has undertaken share buy-backs over the years and the Company has a resolution for renewal of share purchase mandate for shareholders' approval at the Annual General Meeting to be held on 26 April 2023.

The Covid pandemic has caused disruptions to businesses and the overall business environment. The Board will revisit this matter once there is clarity on the future business environment. Currently, the market condition is not conducive for asset disposal.

We will thoroughly review short-term and long-term financial impacts of all of our assets, taking in consideration of business development and local governmental city-planning measures and opportunities.

The Group's Net asset value per share at 31 December 2022 was RMB 6.43 and as highlighted by the question, the Group has strong and healthy balance sheet. The Group will continue to build value for shareholders and explore ways to reward our shareholders such as declaring dividend in a sustainable manner.

Question 3: Can the company elaborate on the business segments that are likely to provide future growth and sustainability in the years ahead, or will the business prospects continue to be lumpy and unpredictable?

Response:

Our core business segments are essential to food security and the foundation of chemical engineering, therefore will always have the stability advantage. With the accelerated pace of the energy transformation and shift in the energy consumption structure, green ammonia, green methanol and green hydrogen are set to become increasingly popular. We will continue to build upon our research and development ("R&D") efforts as we explore new areas of uses and applications for our various patented technologies to bring solutions that have increasing relevance in the world today. We believe that with the stabilisation of the COVID-19 situation in China and globally, our strong fundamentals, multi-pronged strategies, talent development planning and competitive edge will enable us to navigate through these challenges and deliver long-term value to our stakeholders.

Question 4: As of 31 December 2022, the Group's order book was approximately RMB136.3 million as compared to RMB223.6 million on 31 December 2021. Why was there such a significant drop in order book?

Response:

We posted a significant boost of 67.7% or RMB73.8 million in our revenue, from RMB109.0 million in FY2021 to RMB182.8 million in FY2022, converting our outstanding orders into revenue. The management team continues to work hard to build a strong orders book pipeline.

Question 5: The company's order book and earnings have been reasonably weak over the last decade despite sporadic increases. What factors would bring about a sustained upturn? (higher ammonia/methanol/petrochemical prices?)

Response:

Price increases in ammonia, methanol, hydrogen and fertilizer will be positive factors on the Group's order book and thereafter revenue. Environmental regulations and policies also impact the Group. In some cases the impact are positive for the Group. For example, we secured many oven-gas re-utilization projects in FY2021. And we have seen active market enquires on Green Ammonia and Green Hydrogen projects. In other cases, the impact has been negative. Some of the fertilizer plants were offline due to production capacity scale or municipal/industrial rezoning.

Question 6: In the near future, does management foresee the possibility of a much higher sustainable order book (i.e. consistently more than RMB 200m)?

Response:

Barring unforeseen circumstances, management is working hard to build on the Group's order book pipeline. The Group will continue to provide its order book number as part of its half-yearly and full year results announcements.

Question 7: Revenue and order book for fertiliser industry segment has declined to less than 20%. Is this trend likely to continue in the near future? The management had previously mentioned during FY2021 full year earnings commentary (28 Feb 2022) that the group is optimistic about the business outlook of the fertiliser segment. However, the optimism has not been reflected in both order book and revenue. Can management kindly provide more insights on this?

Response:

Ammonia is the intermediate product of fertilizer. Our classification of fertilizer or non-fertiliser is based on customer's disclosure of whether the ammonia is used for downstream fertilizer productions. There are however, cases where customers do not have downstream fertiliser production, but they sell ammonia to the market, which is thereafter used for fertiliser production. In addition, the project lead time and revenue recognition period may also skew the correlation.

Question 8: For FY2019, the company's net profit was RMB 11.6m and had cash and cash equivalents of RMB 107.5m as at 31 December 2019. In FY2022, the company's net profit was RMB 30.2m and had cash and cash equivalents of RMB 175.7m as at 31 December 2022. Given the much stronger earnings and financial position in 2022, why did the company not pay a higher dividend but kept it at the same level as FY2019 (i.e. RMB 0.12/share)?

Response:

The macro-economic environment, particularly government policies in relation to the issue of credit and provision of utility subsidies to the industry, have a large impact on the Group's customers buying and investing decisions. This coupled with price fluctuations of nitrogen fertilizer and basic chemicals, the Group expects the next 12 months to continue to be challenging for the Nitrogen Fertilizer Industry and the majority of basic chemical producers in PRC. Notwithstanding the economic and market challenges, its subsidiary, Hunan Anchun Advanced Technology Co., Ltd, has posted a significant boost of 67.7% or RMB73.8 million in our revenue, from RMB109.0 million in FY2021 to RMB182.8 million in FY2022, The Group's efforts to diversify into non-fertiliser industries have seen some successes resulting in revenue of RMB165.4 million in FY 2022 representing 90.5% of total revenue. The Group will continue this diversification efforts and wishes to reserve cash to support these efforts. The Group will continue to review its cash flow requirements keeping in view the macro-economic environment and where its operating cash flow position allows, consider making appropriate dividend distributions to its shareholders.

Question 9: The company's operating environment has been really difficult in the last decade and it doesn't look any easier in the coming years. What is management's medium to long term strategy for the company? Are there merger and acquisition opportunities that can be explored?

Response:

The management will continue to focus on delivering quality products and services to our customers and through the success of our products create more market awareness of Anchun's technologies and capability. We believe this will help in our marketing efforts and hopefully lead to orders for the Group. The Group is always exploring new opportunities include potential merger and acquisition as it seeks growth-oriented opportunities to build shareholders' value.

By Order of the Board

Zheng, ZhiZhong
Executive Director and Chief Executive Officer
21 April 2023