Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Anchun International Holdings Ltd.

Stock code: BTX

Meeting details:
Date: 25 April 2022
Time: 9.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted in the CEO's message, despite the challenges of the COVID-19 pandemic, the group increased its revenue by 16% to RMB109 million, with all business segments showing improvements.

The operational highlights include the EPC turnkey project to build an ammonia synthesis unit with a capacity of 80,000 Nm^3/h coke oven gas which offers comprehensive recycling and co-production of LNG, methanol, and liquid ammonia. It also completed an ammonia synthesis system for fine chemicals and new material recycling.

(i) **Would the board/management consider providing shareholders with an overview of the ongoing projects in a standalone section on "Operations review"?** The current "Operations and financial review" in the annual report focused almost exclusively on the financial aspects. **In particular, please provide an overview of the progress made in the eight coking projects (including scope of work, percentage completion, and target completion dates etc).**

In Thailand, the group will provide engineering design and equipment of the group's CO isothermal shift technology to a natural gas based hydrogen production project while in Zambia, Africa, it is contracted to provide process design package and proprietary equipment for a 100,000 tonnes per year ammonia plant.

(ii) **As these are the first two overseas projects, how confident is management in its ability to deliver its products and services outside of China? Has the board/management identified the risks associated with these overseas projects and how is the group managing the risks?**

Q2. Would the board/management provide shareholders with greater clarity on the following items in the cash flow statements? Specifically:

(i) **Financial assets (write-back and impairment losses):** The group recognised a reversal of RMB2.59 million in trade receivables but impaired RMB1.68 million in contract assets. **What are the reasons for the RMB1.68 million in impairment in contract assets?**

(ii) **Cash:** Despite a higher (average) cash balance with cash increasing from RMB92.4 million to RMB129.7 million, the group recognised lower finance income of RMB1.68 million (FY2020: RMB1.73 million). **Can management help shareholders reconcile the higher average cash balance and the lower finance income received in 2021?**

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(iii) **Prepayments:** In Note 19 (page 107 – Prepayments), it can be seen that prepayments to trade suppliers increased from RMB2.35 million to RMB7.33 million. **What are the prepayments for? How does management ensure that there are sufficient safeguards before making these prepayments?**

Q3. The group's sustainability report can be found on pages 15 to 22 of the annual report. Having conducted a materiality assessment, the group identified the following as material factors:



(Source: company annual report)

(i) **Has the board further analysed the material factors and prioritised them according to the importance to external stakeholders and to internal stakeholders in a materiality matrix?**

In addition, for the environmental material factors identified, the group lists energy and environmental compliance. Details of the environmental material factors can be found on page 18. The targets are for energy consumption of 7.99 million kWh (FY2021: 4.2 million kWh (actual usage)) and zero incidents of environmental non-compliance.

(ii) ESG disclosure is becoming increasingly important to regulators, shareholders and investors. **What are the board's plans to move towards more detailed and more meaningful ESG disclosures and targets for stakeholders in its sustainability report?**

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The group is integrated chemical systems engineering, environmental system engineering and technology solutions that are environmentally friendly and energy-efficient to the petrochemical and chemical industry in China in particular, ammonia and methanol industries. As a major technology developer and reactor manufacturer in PRC, the group strives to capture the favourable opportunities for greater environmental protection.

The group is in fact a key player in environment protection with its products and technologies.

(iii) **Will the board consider how it could better connect the global decarbonisation agenda with the group's vision, mission and its core business?** Doing so will showcase the group's green credentials that are key in environment protection.

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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