



LUZHOU BIO-CHEM TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore under Registration Number 200412523N)

RENEWAL OF LEASE AGREEMENT

The Board of Directors of Luzhou Bio-chem Technology Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that the Company's wholly-owned subsidiary, Luzhou Bio-chem Technology (Shaanxi) Co., Ltd. ("**Luzhou Shaanxi**"), has renewed its lease agreement with Shaanxi Xingping Luzhou Sugar Products Co., Ltd.. The existing lease agreement is due to expire on 31 December 2019. The new lease agreement is for a term of three years commencing on 1 January 2020.

The premises leased by Luzhou Shaanxi is used for its business operations. The rental payable under the new lease agreement remains unchanged at RMB 2.1 million per annum, which is below the market rate as at 30 September 2019 as determined by an independent valuation. All terms of the new lease agreement are the same as those in the existing lease agreement. The last renewal of the lease agreement was on 1 January 2017.

As Shaanxi Xingping Luzhou Sugar Products Co., Ltd. is an associate (as defined in the SGX-ST Listing Manual) of Niu Ji Xing (the Company's Executive Chairman and Chief Executive Officer and controlling shareholder), the lease agreement is an interested person transaction under Chapter 9 of the SGX-ST Listing Manual. The aggregate value of the lease for each year amounts to approximately 43.4% of the Group's latest audited net tangible assets as at 31 December 2018. However, as the aforesaid transaction relates to the renewal of a lease of real property of not more than 3 years and the terms of the transaction are supported by independent valuation, the transaction does not require shareholders' approval pursuant to Rule 916(1) of the SGX-ST Listing Manual.

By Order of the Board

Niu Ji Xing
Executive Chairman and Chief Executive Officer
3 December 2019