



LUZHOU BIO-CHEM TECHNOLOGY LIMITED

(Company Registration Number: 200412523N)

First Quarter Results

Announcement for the Period

Ended 31 March 2019



UNAUDITED FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) The comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding year.

	3 months ended		
	31/03/2019 RMB'000	31/03/2018 RMB'000	Change %
Revenue	532,569	517,097	3.0
Cost of sales	(491,264)	(453,593)	8.3
Gross profit	41,305	63,504	(35.0)
Other operating income	4,870	5,273	(7.6)
Selling and distribution expenses	(31,853)	(30,971)	2.8
Administrative expenses	(20,964)	(21,695)	(3.4)
Other operating expenses	(312)	(703)	(55.6)
Finance expenses	(11,401)	(11,391)	0.1
(Loss)/profit before taxation	(18,355)	4,017	(556.9)
Taxation	(1,544)	(1,005)	53.6
(Loss)/profit for the period and total comprehensive (loss)/profit	(19,899)	3,012	(760.7)
Total comprehensive (loss)/profit attributable to:			
Equity holders	(19,899)	3,012	(760.7)
Gross profit margin	7.8%	12.3%	(36.6)
Net (loss)/profit margin	(3.7%)	0.6%	(716.7)
(Loss)/profit per share (RMB cents)			
- basic	(3.4)	0.5	(780.0)
- diluted	(3.4)	0.5	(780.0)

Notes to the Comprehensive Income Statement

	3 months ended		Change %
	31/03/2019	31/03/2018	
	RMB'000	RMB'000	
(Loss)/profit before tax is arrived at after charging/ (crediting):			
Interest income	(483)	(496)	(2.6)
Interest expense on borrowings	11,401	11,391	0.1
Depreciation of plant and equipment	15,973	20,304	(21.3)
Amortisation of land use rights	267	267	-
Amortisation of government grants	(1,261)	(1,339)	(5.8)
Foreign currencies exchange loss/(gain), net	247	(57)	533.3
Loss/(gain) on disposal of plant and equipment	20	(46)	143.5
Reversal of allowance for doubtful trade receivables and other receivables	(922)	-	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31-Mar-2019 RMB'000	31-Dec-2018 RMB'000	31-Mar-2019 RMB'000	31-Dec-2018 RMB'000
ASSETS				
Current assets				
Inventories	218,452	234,981	-	-
Trade receivables	213,746	180,132	-	-
Other receivables, deposits and prepayments	56,056	47,843	63	48
Cash and cash equivalents ⁽¹⁾	144,567	163,722	2,919	1,152
	<u>632,821</u>	<u>626,678</u>	<u>2,982</u>	<u>1,200</u>
Non-current assets				
Investment in subsidiaries	-	-	321,044	321,044
Financial asset at FVTPL	2,060	2,060	-	-
Property, plant and equipment	533,564	546,180	8	9
Land use rights	42,339	42,606	-	-
	<u>577,963</u>	<u>590,846</u>	<u>321,052</u>	<u>321,053</u>
Total assets	<u>1,210,784</u>	<u>1,217,524</u>	<u>324,034</u>	<u>322,253</u>
LIABILITIES				
Current liabilities				
Trade payables	359,958	304,811	-	-
Other payables and accruals	78,013	95,905	1,141	1,047
Amount owing to related parties	3,025	2,875	-	-
Amount owing to subsidiaries	-	-	4,846	4,120
Interest payable to a Director	349	303	349	303
Amount owing to a Director	12,712	12,712	12,712	12,712
Interest-bearing loans and borrowings	180,000	180,000	-	-
Deferred income	5,046	5,046	-	-
Income tax payable	1,510	541	-	-
	<u>640,613</u>	<u>602,193</u>	<u>19,048</u>	<u>18,182</u>
Non-current liabilities				
Interest-bearing loans and borrowings	515,390	539,390	-	-
Amount owing to a related party	38,000	38,000	-	-
Deferred income	31,257	32,518	-	-
Deferred taxation	589	589	-	-
	<u>585,236</u>	<u>610,497</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,225,849</u>	<u>1,212,690</u>	<u>19,048</u>	<u>18,182</u>
NET ASSETS	<u>(15,065)</u>	<u>4,834</u>	<u>304,986</u>	<u>304,071</u>

EQUITY

Share capital	308,723	308,723	308,723	308,723
Statutory reserves	91,380	91,380	-	-
Accumulated (loss)/profits	(415,168)	(395,269)	(3,737)	(4,652)
TOTAL EQUITY	(15,065)	4,834	304,986	304,071

(1) The Group's cash and cash equivalents comprised cash and bank balances and pledged cash deposits as follow:

	31- Mar-2019	31-Dec-2018
	RMB'000	RMB'000
Cash and bank balances	68,167	87,322
Pledged cash deposits	76,400	76,400
	144,567	163,722

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31-Mar-2019		As at 31-Dec-2018	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
160,000	32,712	160,000	32,712

Amount repayable after one year

As at 31-Mar-2019		As at 31-Dec-2018	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
375,390	178,000	379,390	198,000

Details of any collateral

As at 31 March 2019, the interest-bearing loans and borrowings of the Group were secured or guaranteed by the following:

- (i) pledge of certain property, plant and equipment of the Group;
- (ii) pledge of certain land use rights of the Group;
- (iii) pledge of properties owned by related parties;
- (iv) corporate and personal guarantees given by related parties;
- (v) corporate guarantee given by third parties;
- (vi) pledge of inventories of the Group; and
- (vii) pledge of cash deposit of the Group.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended	
	31-Mar-2019	31-Mar-2018
	RMB'000	RMB'000
Operating activities		
(Loss)/profit before taxation	(18,355)	4,017
Adjustments for: -		
Depreciation of plant and equipment	15,973	20,304
Amortisation of land use rights	267	267
Amortisation of government grants	(1,261)	(1,339)
Loss/(gain) on disposal of plant and equipment	20	(46)
Interest expense	11,401	11,391
Interest income	(483)	(496)
Reversal of allowance for doubtful trade receivables	(922)	-
Operating profit before working capital changes	6,640	34,098
Changes in working capital:		
Inventories	16,529	(19,767)
Trade receivables	(33,252)	(6,680)
Other receivables, deposits and prepayments	(7,653)	(8,779)
Trade payables	55,147	32,323
Other payables and accruals	(17,892)	(12,520)
Amount owing to related parties	150	350
Cash generated from operations	19,669	19,025
Income taxes paid	(575)	(152)
Net cash generated from operating activities	19,094	18,873
Investing activities		
Purchase of plant and equipment	(5,594)	(3,929)
Proceeds from disposal of plant and equipment	2,217	2,464
Proceeds from government grants	-	192
Interest income received	483	496
Net cash (used in) investing activities	(2,894)	(777)
Financing activities		
Interest expense paid	(11,355)	(11,347)
Repayment of interest - bearing loans and borrowings	(254,000)	(293,000)
Proceeds from interest - bearing loans and borrowings	230,000	280,000
Net cash (used in) financing activities	(35,355)	(24,347)
Net (decrease) in cash and bank balances	(19,155)	(6,251)
Cash and bank balances at beginning of period	87,322	92,978
Cash and bank balances at end of period	68,167	86,727

- 1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
GROUP**

	← Attributable to owners of the company →			Total
	Share Capital	Statutory Reserves [#]	Accumulated Loss	
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2019	308,723	91,380	(395,269)	4,834
Total comprehensive loss for the period	-	-	(19,899)	(19,899)
Balance as at 31 March 2019	308,723	91,380	(415,168)	(15,065)

	← Attributable to owners of the company →			Total
	Share Capital	Statutory Reserves [#]	Accumulated Loss	
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2018	308,723	91,380	(304,755)	95,348
Total comprehensive income for the period	-	-	3,012	3,012
Balance as at 31 March 2018	308,723	91,380	(301,743)	98,360

COMPANY

	Share Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2019	308,723	(4,652)	304,071
Total comprehensive income for the period	-	915	915
Balance as at 31 March 2019	308,723	(3,737)	304,986

	Share Capital	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2018	308,723	19,718	328,441
Total comprehensive loss for the period	-	(2,088)	(2,088)
Balance as at 31 March 2018	308,723	17,630	326,353

In accordance with relevant PRC regulations, a wholly foreign owned enterprise in PRC is required to appropriate not less than 10% of its profit after tax to the statutory reserve, until the balance of the fund reaches 50% of its registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserves of the enterprise may be used to offset against its accumulated losses.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital since 31 December 2018. In addition, there were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 March 2019 and 31 March 2018.

1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	Company	
	31-Mar-2019	31-Dec-2018
Ordinary shares	594,000,000	594,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

None

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2018, except for the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16 Leases, which is effective from annual period beginning on 1 January 2019.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Singapore-incorporated companies listed on SGX-ST are required to apply a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)s”) for annual periods beginning on or after 1 January 2018.

The Group adopted *SFRS(I) 16 Leases* on 1 January 2019, using the modified retrospective approach where the lease liability is measured based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application. There is no restatement of comparative information which was prepared in accordance with the requirement of SFRS(I) 1-17. The Group elected the following practical expedients:

- (i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- (ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019; and
- (iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>3 months ended</u>	
	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
	RMB (cents)	RMB (cents)
(Loss) /profit per share		
(a) Based on weighted average number of ordinary shares in issue; and	(3.4)	0.5
Weighted average number of shares in issue	594,000,000	594,000,000
(b) On a fully diluted basis	(3.4)	0.5

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31-Mar-2019	31-Dec-2018	31-Mar-2019	31-Dec-2018
Net asset value per ordinary share	RMB (2.5) cents	RMB 0.81 cents	RMB 51.3 cents	RMB 51.2 cents

31-Mar-2019

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of negative RMB 15,065,000 and the Company's net asset value as at the end of the period of RMB 304,986,000, divided by the share capital of 594,000,000 ordinary shares.

31-Dec-2018

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the year of RMB 4,834,000 and the Company's net asset value as at the end of the year of RMB 304,071,000 divided by the share capital of 594,000,000 ordinary shares.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

a) Comprehensive Income Statement

1QFY19 versus 1QFY18

Revenue	1QFY19		1QFY18		Change
	RMB'000	%	RMB'000	%	%
Corn refining	530,600	99.6	516,920	100.0	2.6
Others	1,969	0.4	177	-	NM
Total	<u>532,569</u>	<u>100.0</u>	<u>517,097</u>	<u>100.0</u>	3.0

The Group's revenue for 1QFY19 increased by about RMB 15.0 million or 3.0% year on year ("y-o-y"), due mainly to the increase in revenue of our corn refining segment by 2.6%.

For 1QFY19, sales volume for the corn refining segment increased from 248K ("K"=1,000) tonnes to 257K tonnes or about 3.5% y-o-y, due mainly to the increases in the sales volume of corn sweeteners and by-products of about 3.8% and 2.7% respectively.

The weighted average prices of the corn refining products decreased by 0.8% y-o-y due to stiff competition. This decrease was attributable to the decrease in price of corn sweeteners of about 1.7%, which was partially offset by the increase in price of by-products of about 1.6%.

The Group's export revenue in 1QFY19 increased by 32.3% y-o-y, but the total export revenue remained insignificant. Export revenue as a percentage of total revenue increased from 2.7% in 1QFY18 to 3.5% in 1QFY19.

1QFY19 versus 1QFY18

Gross profit and gross profit margin

	1QFY19		1QFY18	
	RMB'000	%	RMB'000	%
Corn refining	40,669	7.7	62,988	12.2
Others	636	32.3	516	291.3
Total	41,305	7.8	63,504	12.3

During 1QFY19, gross profit decreased by 35.0% y-o-y to RMB 41.3 million. Revenue increased by 3.0% y-o-y, while the cost of sales increased by 8.3%. Group gross profit margin decreased significantly by 4.5 percentage points or 36.6% y-o-y to 7.8%. This was mainly due to the increase in corn raw material prices of about 1.7% and the decrease in the average selling price of corn sweeteners by 1.7%.

The others segment including our Hongzhou subsidiary made a gross profit of RMB 0.6 million in 1QFY19.

Other operating income

Other operating income decreased by 7.6% from RMB 5.3 million in 1QFY18 to RMB 4.9 million in 1QFY19, due mainly to the decrease in gain on sales of consumables and waste materials.

Operating expenses

- Selling and distribution expenses

Selling and distribution expenses increased by 2.8% from RMB 31.0 million in 1QFY18 to RMB 31.9 million in 1QFY19. This was mainly attributable to the increase in transportation costs.

- Administrative expenses

The Group's administrative expenses decreased by 3.4% from RMB 21.7 million in 1QFY18 to RMB 21.0 million in 1QFY19. This was mainly due to the decrease in the reclassification of certain depreciation charge and other manufacturing overheads to operating expenses as a result of production halts of certain products, which was partly offset by the increases of staff salaries and maintenance costs.

- Other operating expenses

The Group's other operating expenses decreased by about RMB 0.4 million from RMB 0.7 million in 1QFY18 to about RMB 0.3 million in 1QFY19. This was mainly due to the adjustment to the accrued corn added-value tax for prior year in 1QFY18.

Finance expenses

The Group's finance expenses increased slightly by 0.1% in 1QFY19. This was attributable to the increase in interest rates of bank loans.

Taxation

The increase in income tax expense was due to the increase in net profit generated from our Shaanxi subsidiary. In addition, certain loss-making subsidiaries did not recognise deferred tax assets due to the uncertainty of their future taxable profits. Therefore, the effective tax rate in 1QFY19 was higher than the statutory tax rate.

Total comprehensive income

The Group's total comprehensive income decreased by 760.7% from a net profit of RMB 3.0 million in 1QFY18 to a net loss of RMB 19.9 million in 1QFY19, due mainly to the decrease in gross profit.

b) Statement of Financial Position

<u>GROUP</u>	<u>1QFY19</u>	<u>FY18</u>
Inventory turnover days	42	39
Trade receivable turnover days	34	29
Trade payable turnover days	62	50
Debt equity ratio	(49.5)	159.3

(i) Current assets

Current assets increased by RMB 6.1 million from RMB 626.7 million as at 31 December 2018 to RMB 632.8 million as at 31 March 2019, due mainly to the increase in trade receivables of RMB 33.6 million, and the increase in other receivables, deposits and prepayments of RMB 8.2 million, which were partially offset by the decrease in cash and cash equivalents of RMB 19.2 million and the decrease in inventories of RMB 16.5 million. Trade receivable turnover days was 34 days in 1QFY19, which was higher than that of FY18. Inventory turnover days was higher at 42 days in 1QFY19 as compared with 39 days for FY18.

(ii) Non-current assets

The decrease in non-current assets of RMB 12.9 million was mainly due to the depreciation of RMB 16.2 million and the disposal of plant and equipment of RMB 2.2 million, which were partially offset by the capital expenditure of RMB 5.6 million.

(iii) Current liabilities

Current liabilities increased by RMB 38.4 million from RMB 602.2 million as at 31 December 2018 to RMB 640.6 million as at 31 March 2019, due mainly to the increase in trade payables of RMB 55.1 million, which was partially offset by the decrease in other payables and accruals of RMB 17.9 million. Trade payable turnover days was higher at 62 days, compared with 50 days for FY18.

The Group's debt equity ratio was negative 49.5 times as at 31 March 2019 compared with 159.3 times as at 31 December 2018, and the net debt equity ratio was negative 39.9 times as at 31 March 2019 (31 December 2018: 125.4 times). This was due to the decrease of RMB 24.0 million in total interest-bearing loans and borrowings and the decrease of RMB 19.9 million in total equity resulting from the net loss in 1QFY19.

WORKING CAPITAL AND BANK BORROWINGS AS AT 31 MARCH 2019

The management will take active steps to manage the Group's working capital position. Currently, the Group has approximately RMB 188 million in short-term bank loans to be repaid by end of 2QFY19. The repayment of loans that are due by end of 2QFY19 shall be funded through pledged cash deposits and the operating cash flow, in addition to the new bank borrowings for which the management is in discussion with bankers as well as interest-free borrowings from related parties.

In addition, a director has procured and extended corporate and personal guarantees amounting to RMB478 million to secure bank loans granted to the Group.

(iv) Non-current liabilities

Non-current liabilities decreased by RMB 25.3 million due to the decrease in long-term interest-bearing loans of RMB 24.0 million and the amortization in deferred income of RMB 1.3 million.

(v) Shareholders' equity

As at 31 March 2019, shareholders' equity was lower than that as at 31 December 2018 due to the net loss of RMB 19.9 million in 1QFY19.

c) Cash Flows

For 1QFY19, the Group had net operating cash inflow of RMB 19.1 million. This comprised operating profit before changes in working capital of RMB 6.6 million, adjusted for decrease in working capital of RMB 13.0 million and income tax paid of RMB 0.6 million.

The changes in working capital were mainly the result of:

- i) a decrease in inventory of RMB 16.5 million; and

ii) an increase in trade payables of RMB 55.1 million;

which were partially offset by

iii) an increase in trade receivables of RMB 33.3 million;

iv) an increase in other receivables, deposits and prepayments of RMB 7.7 million; and

v) a decrease in other payables and accruals of RMB 17.9 million.

Net cash used in investing activities amounted to RMB 2.9 million in 1QFY19. This was mainly due to the equipment upgrading expenditure and purchase of packaging containers for finished products. These cash outflows were partially mitigated by the cash inflow arising from proceeds from the disposal of plant and equipment of RMB 2.2 million.

Net cash used in financing activities was RMB 35.4 million, mainly due to the interest expense of RMB 11.4 million and the net decrease in total bank loans of RMB 24.0 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The actual financial results for 1QFY19 are consistent with the commentary under section 10 of the announcement dated 28 February 2019 on the unaudited financial statements for the fourth quarter and full year ended 31 December 2018.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

While the Chinese economy has been going through restructuring with policy changes involving tax cuts and incentives to boost its domestic consumption, the Group expects domestic consumption to remain sluggish in 2019.

Due to the poor local market conditions, the Group has stopped the production of its Sichuan plant since the beginning of the year. The Sichuan subsidiary will instead serve its customers with the production from the Henan and Shaanxi plants. In view of this, the management expects some cost savings from the Sichuan subsidiary and some improvement in the production efficiency at the Henan and Shaanxi plants due to economies of scale.

At the Group level, the average selling prices of corn sweetener products are forecasted to continue to decline due to stiff competition for market share. At the same time, the cost of production will continue to increase due to the rise in raw corn material prices and higher capital investment from upgrading the plant and equipment in order to comply with environmental pollution control requirements.

The Executive Directors are of the opinion that the Group has sufficient working capital for its operations based on the following:

- (i) The Group has stopped the production of its loss-making Sichuan subsidiary;
- (ii) The Group has implemented cost cutting measures including attrition of excess staff and stopping all capital investment, except for the usual maintenance of its plants and equipment and upgrading to meet regulatory requirements;
- (iii) The Group is currently able to generate net cash inflow from its operating activities;
- (iv) The Company's Executive Chairman, Niu Ji Xing, has provided a letter of undertaking to provide continuing financial support to the Group. This is in addition to the extended corporate and personal guarantees amounting to RMB478 million to secure bank loans granted to the Group; and
- (v) The Company has further received an undertaking from the Executive Chairman that he would stop drawing his salary until the financial performance of the Group has improved.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the first quarter ended 31 March 2019.

13 Summary of Interested Person Transactions for the financial period ended 31 March 2019

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000)	
	Three months ended	Three months ended
	31/03/2019	31/03/2018
	RMB'000	RMB'000
Rental expenses to Shaanxi Luzhou	525	525
Interest payable for loan granted by Niu Ji Xing	46	44

Shaanxi Luzhou – Shaanxi Xingping Luzhou Sugar Products Co., Ltd

Mr Niu Ji Xing (Executive Chairman and CEO of the Company) granted a loan of SGD2.0 million to the Group at the interest rate of 1.88% per annum in May 2017.

The Company does not have a general mandate from shareholders for interested person transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

We, Niu Ji Xing and Wang De You, being the Directors of Luzhou Bio-Chem Technology Limited (“the Company”), do hereby confirm for and on behalf of the Board of Directors of the Company that to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board

Mr Niu Ji Xing
Executive Chairman

Mr Wang De You
Executive Director

15 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD

Vincent Lim Bock Hui
Company Secretary
Singapore
15 May 2019