

## OFFER INFORMATION STATEMENT DATED 26 AUGUST 2015

(Lodged with the Monetary Authority of Singapore on 26 August 2015)

**THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER.**

A copy of this offer information statement ("**Offer Information Statement**"), the PAL (as defined herein), the ARE (as defined herein) and the ARS (as defined herein) has been lodged with the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act (as defined herein) or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered for investment.

An application has been made to and in-principle approval has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Rights Shares on the Official List of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and the official listing and quotation of the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating to the Rights Shares have been issued and the allotment letters from The Central Depository (Pte) Limited ("**CDP**") have been despatched.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Offer Information Statement. The in-principle approval granted by the SGX-ST for the listing and quotation of the Rights Shares is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company and/or its subsidiaries.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement.



## LUZHOU BIO-CHEM TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore on 30 September 2004)  
(Company Registration Number: 200412523N)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 198,000,000 NEW ORDINARY SHARES (THE "RIGHTS SHARES") IN THE CAPITAL OF THE COMPANY, AT AN ISSUE PRICE OF S\$0.030 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

### Manager of the Rights Issue



**中国建设银行**  
China Construction Bank Corporation  
Singapore Branch

### IMPORTANT DATES AND TIMES

Last date and time for splitting	: 4 September 2015 at 5.00 p.m.
Last date and time for acceptance and payment	: 10 September 2015 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications (as defined herein) through ATMs (as defined herein) of Participating Banks (as defined herein))
Last date and time for renunciation and payment	: 10 September 2015 at 5.00 p.m.
Last date and time for excess application and payment	: 10 September 2015 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “**Definitions**” section of this Offer Information Statement.

**For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be done through the respective finance companies or Depository Agents and in the case of investors (“CPFIS Shareholders”) who had bought Shares under the CPF Investment Scheme – Ordinary Account (“CPFIS-OA”), their respective approved CPF agent banks. Any application made directly through the CDP, Electronic Applications, the Share Registrar and/or the Company will be rejected.**

**For CPFIS Shareholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares, can only be made using monies standing to the credit of their respective CPF Investment Accounts (“CPF Funds”). In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Shares and (if applicable) apply for excess Rights Shares.**

**For Entitled Depositors (which exclude Entitled Scripholders, CPFIS Shareholders and investors who hold Shares through a finance company or Depository Agent), acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank.**

**For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar, RHT Corporate Advisory Pte. Ltd., 6 Battery Road, #10-01, Singapore 049909.**

The existing Shares are listed and quoted on the Main Board of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group and the rights and liabilities attaching to the Rights Shares. They should also make their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their legal, financial, tax or other professional adviser before deciding whether to acquire the Rights Shares or invest in the Company.

No person has been authorised to give any information or to make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders and their renounees and purchasers should take note of any such announcement and, upon the release of such announcement and/or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company is not making any representation to any person regarding the legality of an investment in the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, legal or tax advice regarding any investment in the Rights Shares and/or the Shares.

The Company makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or its accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares and/or the Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs of the Company and the Group as well as their own appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons other than the Entitled Shareholders to whom they are despatched by the Company (and their renouncees and purchasers of the provisional allotments of Rights Shares), or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company.**

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## CORPORATE INFORMATION

<b>Board of Directors</b>	:	<div>Niu Ji Xing</div> <div>Wang De You</div> <div>Gao Zhong Fa</div> <div>Teoh Teik Kee</div> <div>Kong Xiang Chao</div> <div>Ong Wei Jin</div>	<div>Executive Chairman and Chief Executive Officer</div> <div>Executive Director</div> <div>Executive Director</div> <div>Lead Independent Director</div> <div>Independent Director</div> <div>Independent Director</div>
<b>Company Secretary</b>	:	Vincent Lim Bock Hui, LLB (Hons)	
<b>Registered Office</b>	:	<div>18 Cross Street #07-11</div> <div>China Square Central</div> <div>Singapore 048423</div>	
<b>Principal Place of Business</b>	:	<div>No. 18 Luzhou Road, Yishui</div> <div>Shandong Province 276400</div> <div>People's Republic of China</div>	
<b>Share Registrar</b>	:	<div>RHT Corporate Advisory Pte. Ltd.</div> <div>6 Battery Road #10-01</div> <div>Singapore 049909</div>	
<b>Manager of the Rights Issue</b>	:	<div>China Construction Bank Corporation,</div> <div>Singapore Branch</div> <div>9 Raffles Place #33-01</div> <div>Republic Plaza</div> <div>Singapore 048619</div>	
<b>Auditors</b>	:	<div>Mazars LLP</div> <div>135 Cecil Street #10-01</div> <div>MYP Plaza</div> <div>Singapore 069536</div> <div>Partner-in-charge: Tan Chee Tyan</div> <div>(Chartered Accountant of Singapore)</div>	
<b>Legal Adviser to the Company in relation to the Rights Issue</b>	:	<div>Vincent Lim &amp; Associates LLC</div> <div>18 Cross Street #07-11</div> <div>China Square Central</div> <div>Singapore 048423</div>	
<b>Receiving Banker</b>	:	<div>Oversea-Chinese Banking Corporation Limited</div> <div>65 Chulia Street</div> <div>OCBC Centre</div> <div>Singapore 049513</div>	

## DEFINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires or unless otherwise stated, have the following meanings:-

- “Act” or “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Announcement”** : Announcement of the Rights Issue made by the Company on 18 June 2015
- “ARE”** : Application and acceptance form for the Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
- “ARS”** : Application and acceptance form for the Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “Associate”** : (a) In relation to any Director, the chief executive officer of the Company, a Substantial Shareholder or a Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “ATM”** : Automated teller machine of a Participating Bank
- “Authority” or “MAS”** : Monetary Authority of Singapore
- “Board” or “Board of Directors”** : The board of Directors of the Company, including alternate directors of the Company (if any), as at the date of this Offer Information Statement
- “Books Closure Date”** : 5.00 p.m. on 24 August 2015, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights Issue are determined

<b>“Business Day”</b>	: A day (other than a Saturday, Sunday or public holiday) on which banks and the CDP are open for business in Singapore and the SGX-ST is open for trading of securities
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“CEO”</b>	: Chief executive officer
<b>“Closing Date”</b>	: (i) 5.00 p.m. on 10 September 2015 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar respectively; or  (ii) 9.30 p.m. on 10 September 2015 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue by way of an Electronic Application
<b>“Code”</b>	: The Singapore Code on Takeovers and Mergers, as amended, modified or supplemented from time to time
<b>“Company”</b>	: Luzhou Bio-chem Technology Limited
<b>“Control”</b>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	: A person who:-  (a) holds directly or indirectly 15% or more of the number of all voting shares in a company; or  (b) in fact exercises Control over a company
<b>“CPF”</b>	: Central Provident Fund
<b>“CPF Approved Bank”</b>	: Any bank appointed by the CPF Board to be a bank for the purpose of the CPF Regulations
<b>“CPF Board”</b>	: Central Provident Fund Board
<b>“CPF Investment Account”</b>	: An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment of the Rights Shares pursuant to the Rights Issue
<b>“CPF Regulations”</b>	: The Central Provident Fund (Investment Schemes) Regulations, as the same may be modified, amended or supplemented from time to time
<b>“Directors”</b>	: The directors of the Company as at the date of this Offer Information Statement

<b>“Electronic Application”</b>	: Acceptance of the Rights Shares and (if applicable) application for the excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic applications at ATMs as set out in this Offer Information Statement or on the ATM screens of the Participating Banks
<b>“Entitled Depositors”</b>	: Shareholders with Shares entered against their names in the Depository Register maintained by CDP, as at the Books Closure Date and whose registered addresses with CDP were in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>“Entitled Scripholders”</b>	: Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company were in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents
<b>“Entitled Shareholders”</b>	: Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	: Earnings per Share
<b>“Existing Issued Share Capital”</b>	: The existing issued share capital of the Company comprising 396,000,000 Shares, as at the Latest Practicable Date
<b>“Existing Shares”</b>	: 161,850,000 Shares beneficially owned by the Undertaking Shareholders as at the date of the Announcement
<b>“Foreign Purchasers”</b>	: Has the meaning as ascribed thereto in the section entitled “Eligibility of Shareholders to participate in the Rights Issue” on page 15 of this Offer Information Statement
<b>“Foreign Shareholders”</b>	: Shareholders whose registered addresses with the Company or CDP were outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided in writing to the Company or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“FY”</b>	: Financial year ended or ending 31 December
<b>“Group”</b>	: The Company and its subsidiaries, collectively
<b>“Issue Price”</b>	: The issue price of S\$0.030 for each Rights Share under the Rights Issue
<b>“Latest Practicable Date”</b>	: 19 August 2015, being the latest practicable date prior to the printing of this Offer Information Statement
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST, as amended or modified from time to time



<b>“Manager”</b>	:	China Construction Bank Corporation, Singapore Branch
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Maximum Subscription Scenario”</b>	:	The issue of 198,000,000 Rights Shares, assuming that all the Rights Shares are fully subscribed for by the Entitled Shareholders
<b>“Minimum Subscription Scenario”</b>	:	The issue of 6,518,700 Rights Shares, assuming that only the Undertaking Shareholders subscribe for the Rights Shares pursuant to the Shareholders’ Undertakings to the fullest extent without incurring a mandatory general offer obligation under the Code and none of the other Entitled Shareholders subscribes for their provisional allotments of the Rights Shares and/or apply for excess Rights Shares
<b>“NTA”</b>	:	Net tangible assets
<b>“Offer Information Statement” or “OIS”</b>	:	This document dated 26 August 2015 issued by the Company in connection with the Rights Issue, together with the PAL, the ARE, the ARS (as the case may be) and all other accompanying documents issued by the Company, including where the context admits, any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
<b>“Participating Banks”</b>	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
<b>“Provisional Allotment Letter” or “PAL”</b>	:	The provisional allotment letter issued to an Entitled Scripholder, setting out the provisional allotment of Rights Shares of such Entitled Scripholder under the Rights Issue
<b>“PRC”</b>	:	The People’s Republic of China, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purposes of this Offer Information Statement
<b>“Record Date”</b>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<b>“Register of Members”</b>	:	Register of members of the Company
<b>“Rights Issue”</b>	:	The renounceable non-underwritten rights issue by the Company of up to 198,000,000 Rights Shares at the Issue Price for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
<b>“Rights Shares”</b>	:	Up to 198,000,000 new Shares to be allotted and issued by the Company pursuant to the Rights Issue

<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities and Futures Act” or “SFA”</b>	: Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>	: A system network used by listed companies to send information and announcements to SGX-ST or any other system networks prescribed by SGX-ST
<b>“Shares”</b>	: Ordinary shares in the capital of the Company, and each a <b>“Share”</b>
<b>“Share Registrar”</b>	: RHT Corporate Advisory Pte. Ltd.
<b>“Shareholders”</b>	: Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
<b>“Shareholder’s Loan”</b>	: The interest-free loan of S\$2.0 million granted by Niu Ji Xing, the Executive Chairman and CEO of the Company, to the Company for such purposes as the Company deems fit, which sum remains owing as at the Latest Practicable Date
<b>“Shareholders’ Undertakings”</b>	: The irrevocable undertakings dated 8 June 2015 given by the Undertaking Shareholders to the Company as described in paragraph 1(f) of Part X of this Offer Information Statement
<b>“Substantial Shareholder”</b>	: A substantial Shareholder of the Company as defined under Section 81 of the Companies Act
<b>“Undertaking Shareholders”</b>	: Niu Ji Xing and Faith Corporate International Limited, collectively
<b>Currencies, Units and Others</b>	
<b>“%” or “per cent”</b>	: Per centum or percentage
<b>“RMB” or “Renminbi”</b>	: PRC Renminbi
<b>“\$”, “S\$”, “SGD” and “cents”</b>	: Singapore dollars and cents, respectively

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in section 130A of the Companies Act.

The term **“acting in concert”** shall have the meaning ascribed to it in the Code.

The term **“subsidiary”** shall have the meaning ascribed to it by section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the Companies Act, the Listing Manual or the Code or any statutory or regulatory modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the Companies Act, the Listing Manual or the Code or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include the agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any discrepancies in the figures included in this Offer Information Statement between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to “**we**”, “**us**” and “**our**” in this Offer Information Statement is a reference to the Group or any member of the Group as the context requires.

## SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Number of Rights Shares** : Up to 198,000,000 Rights Shares will be issued, based on the Existing Issued Share Capital of the Company.
- Basis of provisional allotment** : One (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- Issue Price of Rights Shares** : \$0.030 for each Rights Share.

The Issue Price represents:

- (i) a discount of approximately 9.1% to the last transacted price of S\$0.033 per Share on the SGX-ST on 18 June 2015, being the last day on which the Shares were traded on the SGX-ST prior to the release of the Announcement; and
- (ii) a discount of approximately 6.3% to the theoretical ex-rights Share price of S\$0.032 based on an enlarged issued share capital of 594,000,000 Shares, assuming that the Rights Issue is fully subscribed.

- Status of Rights Shares** : The Rights Shares, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

- Listing and trading** : The Company has on 11 August 2015 obtained the in-principle approval of the SGX-ST for the listing and quotation of the Rights Shares on the Official List of the SGX-ST. The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Upon the listing and quotation of the Rights Shares on the Official List of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares.

- Acceptance, excess application and payment** : The procedures for acceptance, excess application and payment by Entitled Depositors and the procedures for acceptance, splitting, renunciation, excess application and payment by Entitled Scripholders are set out in Appendix A and Appendix C, respectively, of this Offer Information Statement.

**Use of CPF Funds**

- : Shareholders who participated in the CPF investment scheme (“**CPFIS Shareholders**”) may use, subject to the applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts (“**CPF Funds**”) for the payment of the Issue Price to subscribe for the Rights Shares. Such CPFIS Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct the respective CPF Approved Banks, where such CPFIS Shareholders hold their CPF Investment Accounts, to accept the provisional allotment of Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with this Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

**Non-underwritten**

- : The Rights Issue is not underwritten. However, the Undertaking Shareholders have undertaken, *inter alia*, to subscribe and pay for (or procure subscription and payment for) the Rights Shares in accordance with the Shareholders’ Undertakings as described in paragraph 1(f) of Part X of this Offer Information Statement.

**Governing Law**

- : The laws of Singapore.

## EXPECTED TIMETABLE OF KEY EVENTS

The important dates and times for the Rights Issue are as follows:-

<b>Events</b>	<b>Date / Time</b>
Shares traded ex-rights	: 20 August 2015 from 9.00 a.m.
Books Closure Date	: 24 August 2015 at 5.00 p.m.
Despatch of Offer Information Statement (together with the ARE or the PAL, as the case may be) to Entitled Shareholders	: 27 August 2015
Commencement of trading of “nil-paid” rights	: 27 August 2015 from 9.00 a.m.
Last day for trading of “nil-paid” rights	: 4 September 2015 at 5.00 p.m.
Last date and time for splitting rights	: 4 September 2015 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	: 10 September 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation of and payment for Rights Shares	: 10 September 2015 at 5.00 p.m.
Last date and time for application and payment for excess Rights Shares	: 10 September 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date for issuance of Rights Shares	: 17 September 2015
Expected date for crediting of Rights Shares	: 18 September 2015
Expected date for refund of unsuccessful applications (if made through CDP)	: 18 September 2015
Expected date for listing and quotation and commencement of trading of Rights Shares	: 18 September 2015

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-Rights trading. The Shares have commenced ex-Rights trading on 20 August 2015 from 9.00 a.m..

As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

### 1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the PAL or the ARE, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of the Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to any Rights Shares will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allocated to satisfy excess applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may in their absolute discretion deem fit in the interests of the Company.

**All dealings in, and transactions of, the provisional allotments of Rights Shares on the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.**

**Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.**

### 2. Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered or lodged in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.

**Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application for excess Rights Shares by Foreign Shareholders will be valid.**

Foreign Shareholders who wish to be eligible to participate in the Rights Issue must provide a Singapore address by notifying in writing, as the case may be, (i) **Luzhou Bio-chem Technology Limited c/o CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588** or (ii) **Luzhou Bio-chem Technology Limited c/o RHT Corporate Advisory Pte. Ltd. at 6 Battery Road #10-01 Singapore 049909** not later than three (3) Market Days before the Books Closure Date.



This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (**"Foreign Purchasers"**). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes or has reasons to believe that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any ARE, ARS or PAL or decline to register such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any representation or warranty, whether express or deemed.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore *via* ordinary post to their mailing address as maintained with CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar or CDP in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy applications for excess Rights Shares (if any) or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar or CDP in connection therewith. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.



**Notwithstanding the above, Shareholders and/or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any registration or any regulatory or legal requirements in those territories.**

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the application of excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A to C of this Offer Information Statement and in the PAL, the ARE and the ARS.

## TRADING

### 1. Listing of and Quotation for the Rights Shares

Upon listing and quotation on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP” and the “Terms and Conditions for CDP to act as Depository for the Rights Shares”, as the same may be amended from time to time. Copies of the above are available from CDP.

### 2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Account) in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical certificates in their names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical certificates, if issued, will be forwarded to them by ordinary post at their own risk, but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

### 3. Trading of Odd Lots

Shareholders should note that most counters on the SGX-ST trade in lot sizes of 100 shares. Following the Rights Issue, Shareholders who hold odd lots of Shares (i.e., lots other than board lots of 100 Shares) and who wish to trade in such odd lots of Shares on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST.

## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements, may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority, but before the Closing Date and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

## TAKE-OVER LIMITS

The Code regulates the acquisition of voting shares of public companies, including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1% in the Company in any six-month period, must extend a take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers.**

The Company may, if necessary, scale down the Rights Shares subscribed by any Shareholder to the extent necessary to avoid placing such Shareholder in the position of incurring an obligation under the Code to make a mandatory take-over offer for the Company as a result of other Shareholders not accepting their provisional allotments of the Rights Shares.

# SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

## PART II (IDENTITY OF DIRECTORS, ADVISERS AND AGENTS)

### Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Names of Directors	Address
Niu Ji Xing	: Luzhou Apartment, No. 18 Luzhou Road, Yishui County, Linyi City, Shandong Province, PRC
Gao Zhong Fa	: Room 202 Luzhou Apartment, No. 18 Luzhou Road, Yishui County, Linyi City, Shandong Province, PRC
Wang De You	: Room 203 Luzhou Apartment, No. 18 Luzhou Road, Yishui County, Linyi City, Shandong Province, PRC
Teoh Teik Kee	: 2D Bishopsgate Singapore 249968
Kong Xiang Chao	: Room 501, Unit 3 Building No.4, Jianguo District, Xuzhou City, Jiangsu Province, PRC
Ong Wei Jin	: 100 Clemenceau Avenue North #09-111 Cavenagh House Singapore 229491

### Advisers

2. Provide the names and addresses of:

- (a) the issue manager to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

Manager of the Rights Issue	: China Construction Bank Corporation, Singapore Branch 9 Raffles Place #33-01 Republic Plaza Singapore 048619
Underwriter	: No underwriter has been appointed by the Company for the Rights Issue.
Legal adviser to the Company in relation to the Rights Issue	: Vincent Lim & Associates LLC 18 Cross Street #07-11 China Square Central Singapore 048423

## **Registrars and Agents**

### **3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable**

Share Registrar	:	RHT Corporate Advisory Pte. Ltd. 6 Battery Road #10-01 Singapore 049909
Transfer Agent	:	Not applicable
Receiving Banker	:	Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513

### PART III (OFFER STATISTICS AND TIMETABLE)

#### Offer Statistics

**1. For each method of offer, state the number of the securities being offered.**

Method of Offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of allotment	:	One (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Up to 198,000,000 Rights Shares

#### Method and Timetable

**2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:**

- (a) the offer procedure; and**
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please refer to paragraphs 3 to 7 below.

**3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Please refer to the “Expected Timetable of Key Events” section of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the application for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A to C of this Offer Information Statement and in the PAL, the ARE and the ARS.

As at the Latest Practicable Date, the Company does not expect the timetable under the “Expected Timetable of Key Events” section of this Offer Information Statement to be modified. However, the Company may, with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. The Company will publicly announce any modification to the timetable or the Closing Date through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

**4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares and excess Rights Shares are payable in full upon acceptance and/or application. All payments for Rights Shares and excess Rights Shares must be made either:

- (a) by way of an Electronic Application through an ATM of a Participating Bank in the case of Entitled Depositors for the full amount payable for the Rights Shares by 9.30 p.m. on 10 September 2015 (or such other time(s) and date(s) as may be announced from time to time by or on behalf of the Company); or**

- (b) if the application for Rights Shares and/or excess Rights Shares, as the case may be, is made by sending the relevant completed ARE or ARS to the CDP, or PAL to the Share Registrar, RHT Corporate Advisory Pte. Ltd. at 6 Battery Road #10-01 Singapore 049909 by **5.00 p.m. on 10 September 2015** (or such other time(s) and date(s) as may be announced from time to time by or on behalf of the Company).

Please refer to Appendices A to C of this Offer Information Statement for details of the procedures for acceptance, payment and excess application of the Rights Shares.

Please refer to the “Expected Timetable of Key Events” section of this Offer Information Statement for the last date and time for payment for the Rights Shares and if applicable, excess Rights Shares. As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any changes to the timetable through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

**5. State, where applicable, the methods of and time limits for –**

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about **26 August 2015** by crediting the provisional allotments to Entitled Depositors or through the despatch of the PALs to Entitled Scripholders.

In the case of Entitled Depositors, and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL), with valid acceptances of Rights Shares and/or successful applications for excess Rights Shares, physical certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares credited to their Securities Accounts within fourteen (14) days after the Closing Date.

In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares and/or successful applications for excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, physical certificates representing such number of Rights Shares will be sent to them by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

**6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable as the Rights Shares are not subject to any pre-emptive rights to subscribe or purchase.

**7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

The Company will publicly announce, *inter alia*, the results of the allotment or allocation of the Rights Shares, as soon as it is practicable after the Closing Date through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.



When any acceptance for the Rights Shares and/or application for excess Rights Shares is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) by crediting their accounts with the relevant Participating Banks at their own risk (if they accept and/or apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Company, the Manager and CDP of their obligations (if any); and/or
- (b) by means of a crossed cheque drawn on a bank in Singapore (where acceptance and/or application is through CDP or the Share Registrar) and sent to them by ordinary post and at their own risk to their mailing addresses in Singapore as maintained with CDP or the Share Registrar, or in such other manner as they may have agreed with CDP for the payment of any cash distributions, as the case may be.

Further details on the refunding of excess amounts paid by applicants are set out in Appendices A to C of this Offer Information Statement and in the PAL, the ARE and the ARS.

## PART IV (KEY INFORMATION)

### Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to paragraphs 2 to 7 below.

2. **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

The estimated expenses incurred in connection with the Rights Issue is approximately S\$0.20 million.

Based on the Maximum Subscription Scenario, the estimated gross proceeds will be S\$5.94 million and the net proceeds is estimated to be approximately S\$5.74 million.

Based on the Minimum Subscription Scenario, the estimated gross proceeds will be S\$0.20 million and there will be no net proceeds.

All net proceeds from the Rights Issue will go to the Company and will be utilised as set out in paragraph 3 below.

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**

The Company intends to utilise the net proceeds from the Rights Issue as follows:-

	Maximum Subscription Scenario (S\$ million)	Minimum Subscription Scenario (S\$ million)
Repayment of the Shareholder's Loan <sup>(1)</sup>	2.00	—
Repayment of bank borrowings	3.00	—
General working capital	0.74	—

**Note:-**

- (1) The Shareholders' Loan will be set-off against the subscription monies payable by the Undertaking Shareholders pursuant to the Shareholders' Undertakings. Please refer to Paragraph 1(f) of Part X of this Offer Information Statement for more details.

The Company will make periodic announcements on the utilisation of the net proceeds from the Rights Issue when such proceeds are significantly disbursed and will provide a status report on the use of such proceeds in the Company's annual report.

Pending the deployment of the net proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem fit in the interest of the Company.

In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Rights Issue.

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

Intended uses	Maximum Subscription Scenario		Minimum Subscription Scenario	
	Estimated amount (\$\$ million)	Estimated amount allocated for each dollar of the proceeds raised (\$\$)	Estimated amount (\$\$ million)	Estimated amount allocated for each dollar of the proceeds raised (\$\$)
Repayment of the Shareholder's Loan	2.00	0.34	–	–
Repayment of bank borrowings	3.00	0.51	–	–
General working capital purposes	0.74	0.12	–	–
Estimated expenses incurred in connection with the Rights Issue	0.20	0.03	0.20	1.00
<b>Total gross proceeds raised from the Rights Issue</b>	<b>5.94</b>	<b>1.00</b>	<b>0.20</b>	<b>1.00</b>

5. **If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

Not applicable. The net proceeds from the Rights Issue will not be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

6. **If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

Not applicable. The net proceeds from the Rights Issue will not be used to finance or refinance the acquisition of another business.

7. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

Up to S\$2.0 million of the net proceeds from the Rights Issue will be used to repay the Shareholder's Loan which was granted interest-free by Niu Ji Xing, the Executive Chairman and CEO of the Company, in FY2013 for such purposes as the Company deems fit. The proceeds of the Shareholder's Loan was utilised by the Company for general working capital purposes and the entire sum was utilised for the purchase of raw materials for production. The Shareholder's Loan is due on 11 September 2016.

Up to S\$3.0 million of the net proceeds from the Rights Issue will be used for repayment of bank borrowings which are due on 20 November 2015. The bank borrowings were incurred in November 2014 and the proceeds were used for working capital.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Not applicable. No underwriter or other placement or selling agents have been appointed by the Company in relation to the Rights Issue.

#### Information on the Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office)

Registered office : 18 Cross Street #07-11  
China Square Central  
Singapore 048423

Telephone number: (65) 6225 0148  
Facsimile number: (65) 6225 1147

Principal place of business : No.18 Luzhou Road Yishui  
Shandong Province 276400  
PRC

Telephone number: (86) 0539 2323777  
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- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group

Established in 1988, the Group is principally engaged in the production and distribution of various sweeteners to its customers domestically and overseas. Depending on the market conditions and production requirements for its sweeteners, the Group also sells corn starch, an intermediate product in the production of sweeteners. By-products of the production process are also sold to generate additional revenue. The Group's range of higher value-added products include sugar alcohol, amino acids and high fructose corn syrup 55. It serves a diverse customer base across multiple industries, among them customers in the food and beverage, fermentation, medical and pharmaceutical sectors. The Group is one of the leading corn refiners and one of the largest producers of maltose-related products and other corn sweeteners in the PRC.

The Group currently maintains a total production capacity of 1,040,000 tonnes per annum through six production facilities in the PRC. These include two production facilities in Yishui, Shandong Province, and one each in Fushun, Liaoning Province, Xingping, Shaanxi Province, Xiping, Henan Province and Pengshan, Sichuan Province. These facilities operate with their own water resources and several also have their own power generating capabilities. With one exception, all of them straddle key corn producing provinces in the PRC to ensure easy access to ample and competitively priced raw materials.

## Subsidiaries

As at the Latest Practicable Date, the Company's subsidiaries, all of which are incorporated in the PRC, are as follows:

Name of Subsidiary	Principal Activities	Equity Interest Held by the Group (%)
Luzhou Bio-Chem Technology (Liaoning) Co., Ltd.	Production and distribution of corn sweeteners and related products	100
Luzhou Bio-Chem Technology (Shaanxi) Co., Ltd.	Production and distribution of corn sweeteners and related products	100
Luzhou Bio-Chem Technology (Shandong) Co., Ltd. <sup>(1)</sup>	Production and distribution of corn sweeteners and related products	100
Luzhou Bio-Chem Technology (Sichuan) Co., Ltd.	Production and distribution of corn sweeteners and related products	100
Luzhou Bio-Chem Technology (Henan) Co., Ltd.	Production and distribution of corn sweeteners and related products	100
Shandong Hongzhou Chemical Equipment Co., Ltd.	Building and maintenance of equipment	100
Shandong Luzhou Amino Acid Co., Ltd.	Production and distribution of amino acids	100

**Note:-**

- (1) As at the Latest Practicable Date, Luzhou Bio-Chem Technology (Shandong) Co., Ltd. has a Yishui branch office and an Animal Feed branch office.

(c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since**

- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

## FY2012

- (1) On 31 January 2012, the Company announced that Mr Wang De You would be appointed as the CEO of the Company with effect from 1 February 2012. Mr Wang had been an Executive Director of the Company and the Group Deputy General Manager since the Company's listing in 2006. Following Mr Wang's appointment as the CEO, Mr Niu Ji Xing, the Executive Chairman of the Company, who had been carrying out the duties of the CEO since September 2009, would relinquish such duties.
- (2) On 26 July 2012, the Company announced that Luzhou Bio-chem Technology (Shandong) Co., Ltd. ("**Luzhou Bio-chem Shandong**"), a wholly-owned subsidiary of the Company, had acquired the remaining 45% equity interest in Shandong Luzhou Amino Acid Co., Ltd. ("**Luzhou Amino Acid**"), a subsidiary in which Luzhou Bio-chem Shandong previously held 55% equity interest, from Beijing Qingfa Bio-technology Centre. Following the completion of the acquisition, Luzhou Amino Acid had become a wholly-owned subsidiary of Luzhou Bio-chem Shandong. The acquisition allowed the Group to have full control over the management and operations of Luzhou Amino Acid.

- (3) On 6 November 2012, the Company announced Luzhou Bio-chem Shandong, a wholly-owned subsidiary of the Company, had acquired the remaining 37.5% equity interest in Luzhou Biochem Technology (Sichuan) Co., Ltd. ("**Luzhou Bio-chem Sichuan**"), a subsidiary in which the Company and Luzhou Bio-chem Shandong previously held 37.2% equity interest and 25.3% equity interest, respectively, from Sichuan Jin Tai Bio-chem Co., Ltd.. Following the completion of the acquisition, Luzhou Bio-chem Sichuan had become a wholly-owned subsidiary of the Group, in which the Company held 37.2% equity interest and Luzhou Bio-chem Shandong held 62.8% equity interest. The acquisition allowed the Group to take full control of the management and operations of Luzhou Bio-chem Sichuan. Following the acquisition, the Group would be able to implement its expansion plans for Luzhou Bio-chem Sichuan without constraints, in order to capture greater market share.

#### **FY2013**

- (1) On 17 July 2013, the Company announced that it had established a new wholly-owned subsidiary, Luzhou Biochem Technology (Henan) Co., Ltd. ("**Luzhou Bio-chem Henan**") through the separation of the Xiping Branch Office of Luzhou Bio-chem Shandong, another wholly-owned subsidiary of the Company, from Luzhou Bio-chem Shandong. Luzhou Bio-chem Henan would take over the operations of the production facilities at Xiping, Henan.

#### **FY2014**

- (1) On 11 February 2014, the Company announced that Luzhou Bio-chem Shandong and Luzhou Bio-chem Technology (Shaanxi) Co., Ltd. ("**Luzhou Bio-chem Shaanxi**") had renewed their respective lease agreements for the premises used by them for their respective business operations for a term of three years commencing on 1 January 2014.

#### **From 1 January 2015 to the Latest Practicable Date**

- (1) On 6 March 2015, the Company announced that Mr Niu Ji Xing would replace Mr Wang De You as the CEO of the Company and Mr Wang would remain as an Executive Director of the Company.
- (2) On 17 June 2015, the Company announced that due to local city zoning plans, the Group had been requested by the local government to relocate Luzhou Bio-chem Shandong, together with the Group's headquarters, at No. 18 Luzhou Road, Yishui County, Linyi City, Shandong Province by mid-2016. The Group intends to relocate Luzhou Bio-chem Shandong and the Group's headquarters, comprising office, production facility, warehouse and research and development facilities, to the Economic Development Zone, Yishui County, Linyi City, Shandong Province (中国山东省临沂市沂水县经济开发区). The Group expected to receive compensation for its fixed assets but the amount had not been confirmed by the local government and negotiations were ongoing. Based on preliminary estimates, the construction of the new headquarters and production facility was expected to require capital investment of approximately RMB250 million. The Group intended to carry out the relocation progressively in order to minimise the disruption to its production.
- (3) On 18 June 2015, the Company announced the Rights Issue. On 11 August 2015, the Company obtained the in-principle approval of the SGX-ST for the listing and quotation of the Rights Shares on the Official List of the SGX-ST, subject to certain conditions.
- (4) On 6 August 2015, the Company announced that it would seek to comply with the minimum trading price requirements under the Listing Manual and if necessary, the Company would consider either undertaking a share consolidation or applying for a transfer of its listing to Catalist.

(d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing -**

- (i) **in the case of the equity capital, the issued capital; or**
- (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**

As at the Latest Practicable Date, the share capital and loan capital of the Company comprise:-

- (i) Issued and paid-up share capital : S\$57,279,768 comprising 396,000,000 Shares
- (ii) Loan capital : Nil

(e) **where -**

- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on the information recorded in the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Companies Act, were as follows:-

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Niu Ji Xing <sup>(1), (2)</sup>	3,900,000	0.98	157,950,000	39.89
Faith Corporate International Limited <sup>(2)</sup>	157,950,000	39.89	—	—
Toh Bee Yong <sup>(3)</sup>	32,760,000	8.27	—	—

**Notes:-**

- (1) Niu Ji Xing is deemed to have an interest in the 157,950,000 shares held by Faith Corporate International Limited by virtue of Section 7 of the Companies Act.
- (2) The shares of Niu Ji Xing and Faith Corporate International Limited are registered in the name of Citibank Nominees Singapore Private Limited.
- (3) The shares of Toh Bee Yong are registered in the name of DBS Nominees (Private) Limited.

(f) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) **where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date -**
- (i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
  - (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests;**

The Company has not issued any securities or equity interests in the 12 months immediately preceding the Latest Practicable Date.

- (h) **a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries during the two years preceding the date of lodgement of this Offer Information Statement, save for the following:

- (a) the lease agreement dated 1 January 2014 between Luzhou Bio-chem Technology (Shandong) Co., Ltd. and Shandong Luzhou Food Group Co., Ltd. for the rental of the former's operating premises for a term of three years with annual rental of RMB3.1 million; and
- (b) the lease agreement dated 1 January 2014 between Luzhou Bio-chem Technology (Shaanxi) Co., Ltd. and Shaanxi Xingping Sugar Products Co., Ltd. for the rental of the former's operating premises for a term of three years with annual rental of RMB2.1 million.



## PART V (OPERATING AND FINANCIAL REVIEW AND PROSPECTS)

### Operating Results

1. Provide selected data from -

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published

The audited consolidated income statements of the Group for FY2012, FY2013, FY2014 and the unaudited consolidated income statement for the six months ended 30 June 2015 ("1H2015") are set out below:-

(RMB'000)	← Audited →			Unaudited 1H2015
	FY2012	FY2013	FY2014	
<b>Revenue</b>	3,399,786	3,009,384	2,074,912	1,254,928
Cost of sales	(3,079,372)	(2,813,673)	(1,981,850)	(1,134,103)
<b>Gross profit</b>	320,414	195,711	93,062	120,825
Other operating income	33,936	33,564	29,430	21,033
Selling and distribution expenses	(147,819)	(135,021)	(109,530)	(50,791)
Administrative expenses	(114,666)	(137,675)	(140,793)	(39,696)
Other operating expenses	(15,562)	(14,825)	(154,001)	(403)
Finance expenses	(51,857)	(52,341)	(57,952)	(32,334)
<b>Profit/(loss) before taxation</b>	24,446	(110,587)	(339,784)	18,634
Income tax expense	(9,890)	(3,170)	–	(3,393)
<b>Profit/(loss) for the year/period, representing total comprehensive profit/(loss) for the year</b>	14,556	(113,757)	(339,784)	15,241
<b>Attributable to:</b>				
Owners of the Company	11,700	(113,757)	(339,784)	15,241
Non-controlling interests	2,856	–	–	–
<b>Profit/(loss) for the year and total comprehensive income for the year</b>	14,556	(113,757)	(339,784)	15,241
<b>Earnings/(loss) per share attributable to owners of the Company (RMB cents per share):</b>				
Basic and diluted	3.0	(28.7)	(85.8)	3.8

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;

(b) earnings or loss per share; and

(c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

(RMB'000)	Audited			Unaudited 1H2015
	FY2012	FY2013	FY2014	
Dividends declared per Share (RMB cents)	–	2.5	–	–
Dividends declared per Share (cents) <sup>(1)</sup>	–	0.5	–	–
Earnings/(loss) per Share (RMB cents) <sup>(2)</sup>	3.0	(28.7)	(85.8)	3.8
Earnings/(loss) per Share after adjusting for the Rights Issue (RMB cents)				
- Maximum Subscription Scenario	2.0	(19.2)	(57.2)	2.6
- Minimum Subscription Scenario	2.9	(28.3)	(84.4)	3.8

**Notes:**

(1) Computed based on the exchange rate of S\$1:RMB4.9206 as at 20 May 2013.

(2) Computed based on the weighted average number of 396,000,000 Shares in FY2012, FY2013, FY2014 and 1H2015.

**3. In respect of –**

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

**Performance review for FY2013 vs FY2012**

**Revenue**

For FY2013, the Group reported a year-on-year (“y-o-y”) revenue decrease of 11.5% from RMB3.4 billion to RMB3.0 billion, mainly due to the decreases in both the sales volume and the selling prices of the corn refining products. The decrease was attributed to the decrease in sales volume of corn sweeteners, corn starch and by-products of about 6.1%, 10.8% and 2.1% respectively and the corresponding decrease in prices of corn sweeteners, corn starch and by-products of about 7.0%, 6.6% and 4.6% respectively.

**Gross Profit**

For FY2013, the gross profit for the Group decreased by 38.9% y-o-y to RMB195.7 million, mainly due to the decrease in selling prices of corn refining products and the increase in administration expenses and finance expenses.

**Operating Expenses**

In FY2013, the Group’s selling and distribution expenses decreased by 8.7% from RMB147.8 million in FY2012 to RMB135.0 million, mainly due to the decrease in transportation costs, which is associated with the decrease in revenue. Administrative expenses increased by 20.1% from RMB114.7 million in FY2012 to RMB137.7 million, mainly due to the increases in depreciation

charge of plant and equipment and staff cost resulting from the temporary stoppage of production of certain products. The Group's other operating expenses decreased by 4.7% from RMB15.6 million in FY2012 to RMB14.8 million, mainly due to the legal costs incurred. The Group's finance expenses increased by 0.9% from RMB51.9 million in FY2012 to RMB52.3 million, mainly due to the increase in interest-bearing loan and borrowings.

### **Net Income**

The Group posted a net loss of RMB113.8 million in total comprehensive income for FY2013, down from a net profit of RMB14.6 million in FY2012. This was mostly a result of the 38.9% y-o-y drop in gross profit and a 20.1% y-o-y increase in administrative expenses.

### ***Performance review for FY2014 vs FY2013***

#### **Revenue**

For FY2014, the Group reported a y-o-y revenue decrease of 31.1%, from RMB3.0 billion to RMB2.1 billion, mainly due to the significant decrease in the sales volume of corn refining segment because of weak market demand and lower selling prices. The sales of corn sweeteners, corn starch, by-products and animal feeds decreased by 21.1%, 73%, 31.4% and 43.2% respectively. These were mainly due to the decrease in sales volume for corn refining products of 26.9% and the decrease in the selling prices of corn sweeteners and by-products of 2.9% and 5.4% respectively.

#### **Gross Profit**

For FY2014, the gross profit for the Group decreased by 52.4% y-o-y to RMB93.1 million, mainly due to the 5.5% increase in the raw corn material prices and decrease in selling prices of corn refining products.

#### **Operating Expenses**

In FY2014, the Group's selling and distribution expenses decreased by 18.9% from RMB135.0 million in FY2013 to RMB109.5 million, mainly due to the decreases in transportation costs, staff costs and supplementary sales tax by RMB18.4 million, RMB3.0 million and RMB3.7 million respectively. Administrative expenses increased by 2.3% from RMB137.7 million in FY2013 to RMB140.8 million, mainly due to the increase in allowance for doubtful trade receivables, depreciation cost of plant and equipment resulting from the temporary stoppage of production of certain products. The Group's other operating expenses increased by 938.8% from RMB14.8 million in FY2013 to RMB154.0 million, mainly due to the impairment of property, plant and equipment of RMB137.5 million and the increase in the loss on disposal of plant and equipment of RMB7.6 million. The Group's finance expenses increased by 10.7% from RMB52.3 million in FY2013 to RMB58.0 million, mainly due to the increase in interest-bearing loan and borrowings and the increase in the bank interest rates.

### **Net Income**

For FY2014, the Group recorded an increase in its total comprehensive loss to RMB339.8 million, due in part to a y-o-y decrease in gross profit of RMB102.6 million, and the impairment of property, plant and equipment of RMB137.5 million.

### ***Performance review for 1H2015 vs 1H2014***

#### **Revenue**

The Group's revenue for 1H2015 increased by 7.2% y-o-y from RMB1.2 billion in 1H2014 to RMB1.3 billion. This was due mainly to increases in the sales volume of the Group's corn refining products, and the increases in the selling prices of corn sweeteners. The significant decrease in the revenue of the animal feeds segment was mainly due to both decreases in the sales volume and the selling price, and it partially offset the increase in revenue of the corn refining segment.

For 1H2015, sales volume for the corn refining segment increased from 426,000 tonnes to 505,000 tonnes or 18.5% y-o-y. This increase was attributable to the increases in the sales volumes of corn sweeteners and by-products of 16.7% and 33.8% respectively and the decrease in the sales volume of corn starch of 84.4%.

The weighted average price of the Group's corn refining products for 1H2015 decreased by 1.2% y-o-y. This decrease was attributable to the decrease in price of by-products of 14.5%, which was partially mitigated by the increases in prices of corn sweeteners and corn starch of 3.8% and 7.5% respectively.

The Group's export revenue in 1H2015 decreased by 59.4% as compared to 1H2014. The export revenue as a percentage of total revenue decreased from 6.7% in 1H2014 to 2.5% in 1H2015. This was because the corn sweetener products from China were not competitive in terms of production cost as a result of the higher corn price in the domestic market as compared to that in the overseas market.

### **Gross Profit**

For 1H2015, gross profit increased by 125.7% y-o-y to RMB120.8 million. The Group's revenue increased by 7.2% y-o-y, while the cost of sales for the corresponding period increased by 1.5%. This was mainly due to the increase in the Group's capacity utilisation rates and the increase in sales volume of the Group's corn refining products.

The Group's animal feeds segment made a gross profit of RMB0.3 million in 1H2015 compared with RMB0.9 million in 1H2014, decreasing by 65.1%, due to the decrease in both sales volume and selling price by 54.0% and 5.0% y-o-y respectively. The Group's 'others' segment made a gross profit of RMB0.5 million in 1H2015 compared with a gross loss of RMB0.2 million in 1H2014 due mainly to the decrease of RMB0.6 million in gross loss of amino acids.

### **Operating Expenses**

Selling and distribution expenses decreased by 14.6% from RMB59.5 million in 1H2014 to RMB50.8 million in 1H2015. This was mainly attributable to the reduction in transportation costs resulting from the decline in diesel fare prices and decreases in staff costs, rental expenses and travel expenses.

The Group's administrative expenses decreased by 40.0% from RMB66.2 million in 1H2014 to RMB39.7 million in 1H2015. This was mainly due to the decreases in depreciation charge, staff costs, entertainment expenses, travel expenses and other costs resulting from production halts of certain products.

Other operating expenses decreased by RMB140.5 million from RMB140.9 million in 1H2014 to RMB0.4 million in 1H2015. This was due mainly to the impairment of property, plant and equipment of RMB138.9 million in 1H2014 and nil impairment in 1H2015, and the decreases in product quality compensations and loss from disposal of plant and equipment.

The Group's finance expenses increased by 13.3% from RMB28.5 million in 1H2014 to RMB32.3 million in 1H2015. This was mainly attributable to the increase in interest-bearing loans and borrowings.

The increase in income tax expense was due to the net profit generated from Luzhou Bio-chem Shaanxi. In addition, certain loss-making subsidiaries of the Group did not recognise deferred tax assets due to the uncertainty of their future taxable profits. Therefore, the effective tax rate in 1H2015 was higher than the statutory tax rate.

### **Net Income**

The Group's total comprehensive income increased by 106.8% from a loss of RMB223.5 million in 1H2014 to a profit of RMB15.2 million in 1H2015 due mainly to a 125.7% y-o-y increase in gross profit or RMB67.3 million and the decrease in other operating expenses of RMB140.5 million, as well as the decreases in administrative expenses and selling and distribution expenses.

## Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –

- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

The consolidated statements of financial position of the Group as at 31 December 2014 and as at 30 June 2015 are set out below:-

(RMB'000)	As at 31 December 2014 (Audited)	As at 30 June 2015 (Unaudited)
<b>Non-current assets</b>		
Property, plant and equipment	691,967	661,841
Land use rights	46,834	46,300
	<b>738,801</b>	<b>708,141</b>
<b>Current assets</b>		
Inventories	238,894	280,096
Trade receivables	179,354	243,658
Other receivables, deposits and prepayments	28,272	47,517
Amount owing by related parties	–	1,550
Income tax recoverable	886	–
Cash and cash equivalents	54,618	420,259
	<b>502,024</b>	<b>993,080</b>
<b>Total assets</b>	<b>1,240,825</b>	<b>1,701,221</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	282,820	282,820
Statutory reserve	90,893	90,893
Accumulated (losses)	(301,493)	(286,252)
<b>Total Equity</b>	<b>72,220</b>	<b>87,461</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	567,400	597,400
Interest-free loan from a director	9,841	9,841
Deferred income	40,327	37,286
Deferred taxation	589	589
	<b>618,157</b>	<b>645,116</b>
<b>Current liabilities</b>		
Trade payables	217,420	342,630
Other payables	102,123	86,677
Deferred income	6,080	6,080
Amount owing to a related party	825	1,050
Interest-bearing liabilities	224,000	529,700
Income tax payable	–	2,507
	<b>550,448</b>	<b>968,644</b>
<b>Total liabilities</b>	<b>1,168,605</b>	<b>1,613,760</b>
<b>Total equity and liabilities</b>	<b>1,240,825</b>	<b>1,701,221</b>

## Effects of the Rights Issue on consolidated NTA per Share

For illustrative purpose only, the following is an analysis of the effects of the Rights Issue on the NTA per Share<sup>(1)</sup> before and after adjustment based on the Group's audited consolidated balance sheet as at 31 December 2014 and the Group's unaudited consolidated balance sheet as at 30 June 2015:-

	As at 31 December 2014 (Audited)	As at 30 June 2015 (Unaudited)
<b>Before the Rights Issue</b>		
NTA attributable to owners of the Company (RMB'000)	72,220	87,461
Number of Shares ('000)	396,000	396,000
NTA per Share (RMB cents)	18.2	22.1
<b>After the Rights Issue (under Maximum Subscription Scenario)</b>		
Adjusted NTA attributable to owners of the Company (RMB'000) <sup>(2)</sup>	98,842	113,624
Number of Shares ('000)	594,000	594,000
Adjusted NTA per Share (RMB cents)	16.6	19.1
<b>After the Rights Issue (under Minimum Subscription Scenario)</b>		
Adjusted NTA attributable to owners of the Company (RMB'000) <sup>(3)</sup>	72,220	87,461
Number of Shares ('000)	402,519	402,519
Adjusted NTA per Share (RMB cents)	17.9	21.7

### Notes:-

- (1) NTA per Share is calculated based on the NTA attributable to owners of the Company divided by the number of Shares as illustrated.
- (2) Adjusted for the issue of 198,000,000 Rights Shares and net proceeds of S\$5.74 million translated at the exchange rate of S\$1:RMB4.6379 as at 31 December 2014 and S\$1:RMB4.5580 as at 30 June 2015 respectively.
- (3) Adjusted for the issue of 6,518,700 Rights Shares and nil net proceeds.

**5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:**

- (a) number of shares after any adjustment to reflect the sale of new securities;
- (b) net assets or liabilities per share; and
- (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

Noted. Please refer to paragraph 4 of this Part.

## Liquidity and Capital Resources

**6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –**

- (a) the most recent completed financial year for which financial statements have been published; and

(b) if interim financial statements have been published for any subsequent period, that period.

(RMB'000)	Audited FY2014	Unaudited 1H2015
<b>Operating activities</b>		
(Loss)/profit before taxation	(339,784)	18,634
Adjustments for:-		
Depreciation of property, plant and equipment	90,241	39,441
Amortisation of land use rights	1,422	534
Amortisation of government grant	(7,636)	(3,041)
Loss on disposal of property, plant and equipment	8,221	(37)
Impairment loss on property, plant and equipment	137,487	–
Interest expense	57,952	32,334
Interest income	(540)	(400)
Reversal of write-down of inventories	(249)	(22)
Allowance for doubtful trade receivables	2,825	–
Reversal of allowances for doubtful trade receivables	(2,644)	–
<b>Operating cash flows before movements in working capital</b>	<b>(52,705)</b>	<b>87,443</b>
<i>Movements in working capital</i>		
Inventories	34,525	(41,180)
Trade receivables	12,165	(64,304)
Other receivables, deposits and prepayments	24,570	(19,245)
Amount owing by related parties	–	(1,550)
Trade payables	2,353	125,210
Other payables	(6,898)	(15,446)
Amount owing to a related party	–	225
Cash generated from operations	14,010	71,153
Income taxes paid	(1,360)	–
<b>Net cash flows generated from operating activities</b>	<b>12,650</b>	<b>71,153</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(32,285)	(12,440)
Proceeds from disposal of property, plant and equipment	11,583	3,162
Interest income received	540	400
Proceeds from government grant	34,491	–
Increase in pledged cash deposits	(3,550)	–
<b>Net cash generated from/(used in) investing activities</b>	<b>10,779</b>	<b>(8,878)</b>
<b>Financing activities</b>		
Refund of dividend	2	–
Interest expense paid	(57,952)	(32,334)
Amount owing to a related party	(1,695)	–
Repayment of interest-free loans from a director	(1,461)	–
Proceeds from interest-bearing loans and borrowings	1,006,400	881,400
Increase in pledged cash deposits	–	(219,000)
Repayment of interest-bearing loans and borrowings	(984,350)	(545,700)
<b>Net cash used in financing activities</b>	<b>(39,056)</b>	<b>(84,366)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,627)</b>	<b>146,641</b>
<b>Cash and cash equivalents at beginning of the year/period</b>	<b>66,245</b>	<b>50,618</b>
<b>Cash and cash equivalents at end of the year/period</b>	<b>50,618</b>	<b>197,259</b>



## **FY2014**

The Group reported a net operating cash inflow of RMB12.7 million, after factoring in operating losses before changes in working capital of RMB52.7 million, a decrease in working capital of RMB66.7 million, and RMB1.4 million payment of FY2013 income tax.

The Group's net cash generated from investing activities amounted to RMB10.8 million. This included the construction of facilities and equipment for the Group's plant in Henan, the purchase of containers for finished products, and a net increase in pledged cash deposits. The cash outflow was partly mitigated by an inflow of RMB11.6 million from the Group's disposal of plant and equipment during the year. In addition, the Group received a government grant of RMB34.5 million relating to the relocation of the Liaoning plant during FY2014.

The Group utilised net cash of RMB39.1 million for financing activities in FY2014. This included payment of interest of RMB58.0 million and repayment of RMB1.5 million in interest-free loans from a Group director. This outflow was partially mitigated by a net increase in bank loans of RMB22.1 million that was used to finance working capital needs.

## **1H2015**

For 1H2015, the Group had net operating cash inflow of RMB71.2 million. This comprised operating profit before changes in working capital of RMB87.4 million adjusted for increase in working capital of RMB16.3 million. The change in working capital was mainly the result of an increase in inventory of RMB41.2 million, an increase in trade receivables of RMB64.3 million, an increase in other receivables, deposits and prepayments of RMB19.2 million, an increase in amount owing by related parties of RMB1.6 million and a decrease in other payables and accruals of RMB15.4 million, which were offset by an increase in trade payables of RMB125.2 million and an increase in amount owing to related parties of RMB0.2 million.

Net cash used in investing activities amounted to RMB8.9 million in 1H2015. This was mainly for the purchase and construction of plant and equipment and the purchase of containers for finished products. These cash outflows were partially mitigated by the cash inflows of RMB3.2 million arising from proceeds from the disposal of plant and equipment.

Net cash inflow from financing activities was RMB84.4 million in 1H2015, mainly due to the net increase of bank loans amounting to RMB335.7 million, which was partially offset by payment of interest expense of RMB32.3 million and the net increase in pledged cash deposits of RMB219.0 million. The additional bank loans were mainly used to finance working capital needs.

- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

As at the date of lodgement of the Offer Information Statement, the Directors are of the reasonable opinion that, barring unforeseen circumstances and after taking into consideration the Group's internal resources, operating cash flows and present banking facilities, the Group has sufficient working capital to meet its present requirements.

- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide —**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**



- (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

To the best of the Directors' knowledge as at the Latest Practicable Date, the Directors are not aware of any breach by any entity in the Group of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

#### **Trend Information and Profit Forecast or Profit Estimate**

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

#### **Business and Financial Prospects of the Group**

In the second quarter of 2015, the China economy continued to slow down due to the weak demand from its external and domestic markets. Despite the stimulus measures and the central government's policy of easing on the loan interest rates, the domestic demand has yet to pick up to expected levels. In addition, the wide-ranging structural changes to shift the economy's focus to domestic-led growth rather than export-led growth needs time for the market to adapt. The cane sugar industry has remained relatively stable due to the central government's import restriction measures, coupled with the stable corn prices as a result of the substantial corn reserved by the central government, and these have had a positive impact on the average prices of the Group's corn sweetener products, resulting in better gross profit margins. The Group expects a decline in the corn raw material prices and at the same time a gradual pick up in the demand for its corn sweetener products in the second half of 2015, in view of the government's push for a demand-based economy for the domestic consumer market. In spite of the positive market condition, the Group continues to be cautiously optimistic of the consumer demand for its products and barring any unforeseen changes in government policies and other unforeseen circumstances, the Group remains positive of its business outlook in 2015.

Due to local city zoning plans, the Group had been requested by the local government to relocate Luzhou Bio-chem Shandong, together with the Group's headquarters, at No. 18 Luzhou Road, Yishui County, Linyi City, Shandong Province by mid-2016. The Group expects to receive compensation for its fixed assets but the amount has not been confirmed by the local government and negotiations are ongoing. Based on preliminary estimates, the construction of the new headquarters and production facility is expected to require capital investment of approximately RMB250 million. The Group intends to carry out the relocation progressively in order to minimise the disruption to its production. The proposed relocation is not expected to have a material impact on the financial statements for the current financial year ending 31 December 2015.

## **Risk Factors**

To the best of the Directors' knowledge and belief, the risk factors relating to the Group's business and the industry the Group operates in, which may be material to prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Shares and/or the Rights Shares. The Group could be affected by a number of risks which may relate to the industry and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected. In such event, the trading price of the Shares and the Rights Shares could decline, and investors may lose all or part of their investment in the Shares and the Rights Shares.

### **RISKS RELATING TO THE BUSINESS AND INDUSTRY**

#### ***The Group is dependent on the performance of its customers' industries***

The Group's end-products are targeted at manufacturers from various industries, in particular, the food, beverage and fermentation industries, who utilise the products as ingredients or additives for their products. Hence, should the Group's customers who operate in the food, beverage and fermentation industries be affected by unfavourable events such as consumers' changes in tastes and preferences not in favour of the customers' products, or the introduction of alternative or substitute products that are superior to the customers' products that may render their products uncompetitive, leading to reduced consumer demand for their products, the Group may also be affected as the demand for its products by its customers will be reduced accordingly. Should the customers suffer a downturn in their industry, the Group's business and profitability may be adversely affected.

#### ***The Group may have from time to time, negative working capital and significant bank borrowings***

The Group had a negative working capital position of RMB48.4 million as at 31 December 2014. The negative working capital position arose from the large amount of current liabilities comprising mainly trade payables, other payables and accruals and short-term bank borrowings which exceeded current assets. While the Group had a positive working capital position of RMB24.4 million as at 30 June 2015, there is no assurance that the Group will not be in a negative working capital position in future.

The Group's total bank loans as at 30 June 2015 stood at RMB1.13 billion representing a gearing ratio of 12.89 times (defined as total bank borrowings to shareholders' equity). As such, the Group had significant loan obligations.

Currently, the Group's obligations mentioned above have been met through a combination of internal operating cash flows and re-financing activities. As such, the Group is subject to risks normally associated with debt financing, generating sufficient operating cash flows by managing the Group's working capital such as inventories, trade receivables and payables payment terms, including the risk that the operating cash flows will be insufficient to meet required payment of principal amounts and interests. In addition, while in the past, the Group's operating cash flows and re-financing activities had been sufficient to meet its payment obligations for borrowings and interests, there is no assurance that the Group would be able to do so in the future. Also, the Group may underestimate its capital requirements and other expenditures or overestimate its future cash flows. In such an event, the Group may be required to raise additional capital, or undertake debt or other forms of financing for its working capital. If any of the aforesaid events occur and the Group is unable for any reason to raise additional funds to meet its working capital requirements, the Group's business, financial performance and position will be adversely affected.

***The Group's business is dependent on its research and development capabilities and the results it obtains***

In order to stay competitive in the industry, the Group places strong emphasis on research and development, in particular, to improve the quality and variety of its products, and enhance the efficiency and productivity of its production process. The Group's research and development is important to the growth and prospects of the Group. If the research and development efforts do not yield products that meet the market demands on a timely basis or produce technology that is superior to that of the Group's competitors, the Group's prospects and competitiveness may be adversely affected. In addition, as the time frame for developing new products and the demand for such new products is not pre-determinable, there is a substantial risk that the Group may have to abandon a potential product which is no longer marketable even if it has invested significant resources in the research and development of such product. Further, even if the Group is successful in developing a new product, there may be a long time lapse between the Group's investment in that product and the receipt of any related revenue. This would adversely affect the profitability and prospects of the Group.

***Fluctuations in the price of raw materials may affect the financial performance of the Group***

The Group's cost of production is largely dependent on the price of corn, the primary raw material. The Group obtains its corn mainly through corn growers and suppliers in the PRC. The Group does not have any written long-term supply contracts with its suppliers. The price of corn is subject to fluctuations due to changes in supply and demand conditions. Since corn is an agricultural product, the occurrence of natural disasters such as droughts, floods and earthquakes will affect its supply and price. The market price of corn may also vary from time to time depending on the harvests in a particular season. In addition, should there be any shortage in the supply of or an upsurge in demand for corn, the Group may face difficulty in obtaining the necessary supply of corn for its business operations and this will adversely affect its operations and financial performance. Further, any shortage in supply or upsurge in demand may also lead to an increase in the price of corn. Although the Group has been able to pass on the effects of fluctuations in raw material prices to its customers in the past, there is no assurance that it can continue to do so. Thus, to the extent that the Group is unable to pass on the increase in raw material prices to its customers, any increase in such cost may adversely affect the business, profitability and financial performance of the Group.

***The continued growth and success of the Group is dependent on its key management personnel***

The Group's key management personnel, in particular, its Executive Chairman and CEO, Niu Ji Xing, and its Executive Directors, Gao Zhong Fa and Wang De You, have contributed significantly to the development and growth of the Group since its establishment in 1988. The continued growth and success of the Group is also attributable to the contributions and experience of the key management personnel who possess valuable experience and knowledge of the business and industry, and have a good understanding of customers' needs and requirements. The loss of any of the key management personnel, due to health or other reasons, without suitable and timely replacements, and the inability to attract and retain qualified personnel will adversely affect the operations, revenue and profits of the Group.

***The Group may be affected by the discovery of alternative raw materials or production technologies for starch and new products which render its products obsolete or uncompetitive***

The primary raw material for the Group's products is corn. In the production process, corn is used to produce starch, which is a key ingredient used to synthetically manufacture the products. Corn is not the only source of starch that can be used for the products. Starch can also be derived from other sources such as rice, wheat, potato and tapioca, but the costs in doing so are higher and the quality is inferior to that of corn. However, alternative or new sources of starch that are superior to corn in terms of costs and quality may be discovered, and new technologies may be developed that will significantly lower the costs as well as increase the output of the alternative sources of starch to a level that surpasses production from corn. If the Group is unable to utilise the alternative or new sources of starch or adopt the new technologies, or if alternative products are developed which render the Group's products obsolete or uncompetitive, the business and financial performance of the Group may be adversely affected.

***The Group's business will be affected by disruptions to its production facilities***

In the event of disruptions at the Group's production facilities, such as stoppage in the supply of utilities, machine breakdowns, power failures, power surge, fire or other calamities, significant damage to the machinery and production lines and/or major delays and disruptions to the production process may result. Even though the Group possesses power generating equipment and water resources in its production facilities, there is no assurance that the power generating equipment and water resources will not break down or be disrupted due to unforeseen reasons. As a result of such disruptions, the Group may experience delay in the delivery of its products to customers and thus be exposed to potential claims for compensation. Disruptions to the production facilities will have a material adverse impact on the Group's corporate image and business operations. While the Group maintains insurance policies covering losses due to fire, the Group is not insured against damages due to natural disasters, terrorist attacks and war. The Group considers its insurance coverage to be adequate, but the Group cannot give any assurance that the insurance compensation would be sufficient to cover all potential losses.

***The Group is reliant on its customers and exposed to the credit risk of its customers***

The Group is reliant on its customers for demand for its products. In the event that any of the Group's customers, in particular major customers, reduces or cancels its orders for the Group's products, the financial results of the Group will be adversely affected. The Group may grant credit terms to customers when the sizes of their purchase orders are large and they have reliable track records in their payment history. The Group is therefore exposed to the risks of default in payment by its customers. If the customers experience cash flow difficulties or deterioration in their business performance that eventually lead to liquidation, they may default on their payments to the Group. During economic downturns, the customers may suffer an impact on their finances and the possibility of defaults in payment will be greater. This will result in the Group experiencing payment delays for its products or in more severe cases, the Group may not be able to collect payment for its products. Due to these defaults, the Group would have to make provisions for doubtful debts, or incur debt write-offs, which will have an adverse impact on the profitability of the Group.

***The Group is subject to product liability claims***

The Group adheres to stringent quality controls in its production process. Despite its efforts in ensuring quality products, there is no assurance that the products will be free from defects. Any production error or negligence by the production staff during the production process may result in defects in the products and render them unsuitable or unsafe for their intended use. In addition, the finished products have expiry dates that range from six to 12 months from the date of manufacture. Even though the products are delivered to customers promptly after production to ensure ample time prior to expiry, nevertheless, in the event that the customers unintentionally use the products that have already expired, it may give rise to product liability claims when consumers suffer from the ill effects from consumption of their products. Even though the Group may not be liable for the product liability claims, the Group may be subject to claims from the affected parties which may result in significant legal costs and damages, drawing on the Group's resources including time and money. As the Group does not maintain any product liability insurance, the occurrence of any product liability claims, regardless of validity, could adversely affect the corporate image as well as financial condition of the Group.

***The Group is exposed to risks in non-renewal or revocation of its permits and licences which would result in the disruption or cessation of its operations***

The Group's business is subject to various permits and licences granted by regulatory authorities in the PRC. The duration of these permits and licences are generally for fixed periods and are renewable upon expiry but renewal is subject to fulfilling the standards and requirements set out by the regulatory authorities. The operations at the Group's production facilities are subject to periodic checks by the relevant authorities in the PRC who may withdraw or suspend the relevant licences or activities, or impose penalties, if the Group fails to meet the standards set by them. Therefore, any non-renewal or revocation of the Group's permits and licences for whatever reasons by the relevant authorities may affect the business operations of the Group.

### ***The Group is subject to environmental laws and regulations in the PRC***

The Group's operations are subject to the environmental laws and regulations promulgated by the national and local governments of the PRC. The relevant PRC authorities have the power to take action against the Group for failure to comply with the environmental regulations, including imposition of fines and revocation of licences. As at the Latest Practicable Date, the Directors believe that the Group is in compliance in all material respects with these environmental laws and are not aware of any material infringement of any environmental laws and regulations. It is also possible that the PRC government authorities may adopt additional regulations and/or become more stringent in the future, and that may require the Group to incur additional costs on environmental compliance matters. Therefore, changes in environmental laws or regulations could adversely affect the business and profitability of the Group.

### ***The PRC foreign exchange control may limit our ability to utilise our cash effectively and affect our ability to receive dividends and other payments from our PRC subsidiaries***

Our PRC subsidiaries, Luzhou Bio-chem Technology (Liaoning) Co., Ltd., Luzhou Bio-chem Technology (Shandong) Co., Ltd., Luzhou Bio-chem Technology (Shaanxi) Co., Ltd., Luzhou Bio-chem Technology (Henan) Co., Ltd., Luzhou Bio-chem Technology (Sichuan) Co., Ltd. and Shandong Hongzhou Chemical Equipment Co., Ltd., are foreign investment enterprises ("FIEs") and are subject to the PRC rules and regulations on currency conversion. In the PRC, the State Administration for Foreign Exchange ("SAFE") regulates the conversion of the RMB into foreign currencies. Currently, FIEs are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". With such registration certifications (which need to be renewed annually), FIEs are allowed to open foreign currency accounts including the "basic account" and "capital account". Currently, conversion within the scope of a "basic account" (for example, remittance of foreign currencies for payment of dividends) can be effected without the approval of SAFE. However, conversion of currency in the "capital account" (for example, for capital items such as direct investments, loans and securities) still requires the approval of SAFE.

The ability of our PRC subsidiaries to pay dividends or make other distributions to us may be restricted by the PRC foreign exchange control restrictions. There is no assurance that the relevant regulations will not be amended to the disadvantage of our Group or our Shareholders and that the ability of our PRC subsidiaries to distribute dividends to us will not be adversely affected as a result.

## **RISKS RELATING TO THE SHARES**

### ***The Share price may fluctuate***

There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Group's control. Examples of such factors include (i) variation(s) of its operating results; (ii) changes in securities analysts' estimates of the Group's financial performance; (iii) additions or departures of key personnel; (iv) fluctuations in stock market prices and volume; (v) involvement in litigation or other legal proceedings or processes; (vi) changes or uncertainty in the political, economic and regulatory environment in the markets that the Group operates in; (vii) changes in the general economic, social, political or stock market conditions; (viii) gain or loss of important business or other relationships; (ix) announcements by the Group or its competitors of significant contracts, acquisitions, strategic alliances, partnerships, joint ventures, capital commitments or new products or services offered by the Group or its competitors; and (x) the success or failure of the Group's management team in implementing business and growth strategies.

### ***No assurance that an active market for the Shares will develop after the Rights Issue***

There is also no assurance that the market price for the Rights Shares will not decline below the Issue Price after the Rights Issue. Volatility in the trading price of the Shares may be caused by factors outside the Company's control and may be unrelated to its operating results. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.



### ***Dilution in the Shareholders' interest in the Company***

In the event that Shareholders do not or are not able to accept their provisional allotments of Rights Shares, their proportionate interests in the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his rights entitlements, or such rights entitlements are sold on his behalf, the consideration that he may receive may not be sufficient to compensate him fully for the dilution of his interest in the Company as a result of the Rights Issue.

### ***An active market may not develop for the "nil-paid" rights entitlements during the provisional allotment trading period prescribed by the SGX-ST***

The Company cannot assure Shareholders that an active trading market for the "nil-paid" rights entitlements on the SGX-ST will develop during the trading period or that any over-the-counter trading market for the "nil-paid" rights entitlements will develop. Even if an active market develops, the trading price of the "nil-paid" rights entitlements, which depends on the trading price of the Shares, may be volatile. In addition, Foreign Shareholders are not allowed to participate in the Rights Issue. The "nil-paid" rights entitlements which would otherwise be provisionally allotted to Foreign Shareholders may be sold by the Company, which could affect the trading price of the "nil-paid" rights entitlements.

### ***Potential dilution in the value of the Shares***

The Company may need to raise additional funds in the future for the Group's existing operations or to finance future plans. In the event that the Company raises additional funds to meet its financing requirements and existing Shareholders do not participate in the *pro-rata* fund raising activities or if the additional funds are raised through the issuance of new Shares other than on a *pro rata* basis to the existing Shareholders, the percentage interest in the Company of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

10. **Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

Not applicable, as no profit forecast is disclosed in this Offer Information Statement.

11. **Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

Not applicable, as no profit forecast or profit estimate is disclosed in this Offer Information Statement.

12. **Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

Not applicable, as no profit forecast is disclosed in this Offer Information Statement.

13. **Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

- (a) **a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**

- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable, as no profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable, as no profit forecast is disclosed in this Offer Information Statement.

#### **Significant Changes**

15. Disclose any event that has occurred from the end of –

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement, in particular, paragraphs 9(c) and 9(f) of Part IV of this Offer Information Statement and in all public announcements made by the Company, the Directors are not aware of any event which has occurred from 1 July 2015 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

#### **Meaning of “published”**

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

## PART VI (THE OFFER AND LISTING)

### Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price is S\$0.030 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents:-

- (i) a discount of approximately 9.1% to the last transacted price of S\$0.033 per Share on the SGX-ST on 18 June 2015, being the last day on which the Shares were traded on the SGX-ST prior to the release of the Announcement;
- (ii) a discount of approximately 6.3% to the theoretical ex-rights Share price of S\$0.032 based on an enlarged issued share capital of 594,000,000 Shares, assuming that the Rights Issue is fully subscribed; and
- (iii) nil discount to the closing price of S\$0.030 per Share as at the Latest Practicable Date.

The expenses incurred in connection with the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. An administrative fee will be charged by the relevant Participating Banks for each Electronic Application made through the ATMs of the respective Participating Banks.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Not applicable. The Shares are traded on the Main Board of the SGX-ST.

3. **If –**

- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
- (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

**indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

Not applicable. None of the Shareholders has pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions on the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the "Eligibility of Shareholders to Participate in the Rights Issue" section of this Offer Information Statement for further information.



4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
    - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
    - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
  - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities -
    - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
    - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
  - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
  - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.
- (a) The highest and lowest closing price and volume of the Shares traded on the SGX-ST during each of the 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 August 2015 to the Latest Practicable Date are as follows:-

Month	Price Range		Share Volume (’000)
	High (S\$)	Low (S\$)	
August 2014	0.048	0.038	405
September 2014	0.040	0.035	605
October 2014	0.037	0.036	184
November 2014	0.036	0.023	138
December 2014	0.030	0.022	325
January 2015	0.025	0.020	271
February 2015	0.034	0.018	692
March 2015	0.029	0.012	439
April 2015	0.030	0.013	2,090
May 2015	0.052	0.021	5,108
June 2015	0.043	0.028	165
July 2015	0.045	0.021	617
1 August 2015 to the Latest Practicable Date	0.038	0.030	255

Source: Bloomberg L.P.<sup>(1)</sup>

**Note:**

Bloomberg L.P. has not consented to the inclusion of the price range and volume of Shares quoted under this section and is therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in their proper form and context in this Offer Information Statement and has not verified the accuracy of the above information.

- (b) Not applicable. The Shares have been listed on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.
- (c) There has not been any significant trading suspension during the 3 years immediately preceding the Latest Practicable Date.
- (d) Please refer to part (a) of this paragraph for the volume of Shares traded in each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 August 2015 to the Latest Practicable Date.

**5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –**

- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

Not applicable. The Rights Shares, when issued, will rank *pari passu* in all respects with the then existing issued Shares, save that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

**6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

**Basis of Provisional Allotment**

The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at an Issue Price of S\$0.030 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The Rights Shares are payable in full upon acceptance and/or application, and upon allotment and issue will rank *pari passu* in all respects with the then existing issued Shares, save that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

Fractional entitlements to Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allocated to satisfy excess applications for Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may in their absolute discretion deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments of Rights Shares under the Rights Issue.

For the avoidance of doubt, only Entitled Shareholders and not their respective renouncees and purchasers, shall be entitled to apply for excess Rights Shares.

Entitled Depositors will be able to trade their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST.

Save for the Shareholders' Undertakings, the Rights Issue will not be underwritten. Please refer to the Shareholders' Undertakings described in "Part X – Additional Information Required for Offer of Securities by way of Rights Issue" of this Offer Information Statement for more details.

The Rights Shares are not offered through the selling efforts of any broker or dealer.

### **Foreign Shareholders**

As there may be prohibitions or restrictions on the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the "Eligibility of Shareholders to Participate in the Rights Issue" section of this Offer Information Statement for further information.

**7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

Not applicable. The Rights Issue is not underwritten.

## **PART VII (ADDITIONAL INFORMATION)**

### **Statements by Experts**

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert -**

- (a) state the date on which the statement was made;**
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

### **Consents from Issue Managers and Underwriters**

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

China Construction Bank Corporation, Singapore Branch has given, and has not, before the lodgement of this Offer Information Statement, withdrawn, its written consent to being named in this Offer Information Statement as the Manager of the Rights Issue.

### **Other Matters**

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —**

- (a) the relevant entity's business operations or financial position or results; or**
- (b) investments by holders of securities in the relevant entity.**

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations or financial position or results or investments by holders of securities in the Company.

**PART VIII (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR  
UNITS OF DEBENTURES)**

Not applicable.

**PART IX (ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES)**

Not applicable.

**PART X (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES  
BY WAY OF RIGHTS ISSUE)**

**1. Provide -**

**(a) the particulars of the rights issue;**

**Principal terms of the Rights Issue**

Number of Rights Shares : Up to 198,000,000 Rights Shares

Issue Price : S\$0.030 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents:-

- (i) a discount of approximately 9.1% to the last transacted price of S\$0.033 per Share on the SGX-ST on 18 June 2015, being the last day on which the Shares were traded on the SGX-ST prior to the release of the Announcement;
- (ii) a discount of approximately 6.3% to the theoretical ex-rights Share price of S\$0.032 based on an enlarged issued share capital of 594,000,000 Shares, assuming that the Rights Issue is fully subscribed; and
- (iii) nil discount to the closing price of S\$0.030 per Share as at the Latest Practicable Date.

Basis of provisional allotment : One (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

Eligibility to participate in the Rights Issue : Please refer to the "Eligibility of Shareholders to Participate in the Rights Issue" section of this Offer Information Statement.

Status of the Rights Shares : The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

Listing of the Rights Shares : The in-principle approval for the listing and quotation of up to 198,000,000 Rights Shares on the Official List of the SGX-ST was granted by SGX-ST on 11 August 2015. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue,

the Rights Shares, the Company and/or its subsidiaries. The SGX-ST does not assume any responsibility for the accuracy of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Acceptance, excess application and payment procedures : The procedures for acceptance, excess application and payment by Entitled Depositors and the procedures for acceptance, splitting, renunciation, excess application and payment by Entitled Scripholders are set out in Appendix A and Appendix C, respectively, of this Offer Information Statement.

Trading of the Rights Shares : Upon the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares.

Governing Law : Laws of the Republic of Singapore

**(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**

The last day and time for splitting of the provisional allotments of the Rights Shares is **4 September 2015 at 5.00 p.m..**

**(c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;**

The last day and time for acceptance of and payment for the Rights Shares is **10 September 2015 at 5.00 p.m.\***. The last day and time for the application and payment for excess Rights Shares is **10 September 2015 at 5.00 p.m.\***.

\* The last day and time for acceptance and/or excess application and payment through an ATM of a Participating Bank is **10 September 2015 at 9.30 p.m..**

**(d) the last day and time for renunciation of and payment by the renouncee for the securities to be issued pursuant to the rights issue;**

The last day and time for renunciation of and payment by the renouncee for the Rights Shares is **10 September 2015 at 5.00 p.m..**

Entitled Depositors who wish to renounce their provisional allotments of Rights Shares in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renouncee to accept his provisional allotment of Rights Shares.

**(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices A, B and C to this Offer Information Statement and in the PAL, the ARE and the ARS.

- (f) **the particulars of any undertaking from the substantial shareholders or substantial equity interest holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**

Niu Ji Xing (the Execution Chairman and CEO of the Company) ("**Mr Niu**") and Faith Corporate International Limited ("**Faith Corporate**") (collectively, the "**Undertaking Shareholders**") are the legal and beneficial owners of 3,900,000 Shares and 157,950,000 Shares, respectively (collectively the "**Existing Shares**"), representing approximately 0.98% and 39.89%, respectively, of the total number of issued Shares. Mr Niu holds the entire issued share capital of Faith Corporate and is therefore deemed to have an interest in all of the Shares held by Faith Corporate.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, each of the Undertaking Shareholders has, on 8 June 2015, pursuant to the Shareholders' Undertakings, unconditionally and irrevocably undertaken to the Company, amongst others, that:

- (a) it/he will and will ensure that it/he remains as the beneficial owner of the Existing Shares up until and including the Books Closure Date and will not on or before such date sell, transfer or otherwise dispose of, any of the same or of any interest therein; and
- (b) it/he will and will procure that the registered holder(s) of the Existing Shares and (if the Existing Shares are registered in the name of CDP or its nominee), the relevant account holders (as defined in Section 130A of the Companies Act) (the "**Registered Holders**") will, not later than the Closing Date, subscribe and pay for (or procure subscription and payment for) in accordance with the terms of the Rights Issue, at the Issue Price, all of such number of Rights Shares which may be provisionally allotted to it/him and/or the Registered Holders on the basis of the Existing Shares held as at the Books Closure Date.

Based on the foregoing, the Undertaking Shareholders have undertaken to subscribe and pay for and/or procure subscription and payment for up to 80,925,000 Rights Shares.

Mr Niu had previously granted an interest-free loan of S\$2.0 million to the Company for such purposes as the Company deems fit and the sum remains owing as at the Latest Practicable Date (the "**Shareholder's Loan**"). Mr Niu has agreed that the Shareholder's Loan owing to him by the Company shall be set-off against all or part of the subscription monies payable by the Undertaking Shareholders for their entitlements of Rights Shares.

The Undertaking Shareholders have provided to the Company a confirmation given by a financial institution that they have the necessary financial resources for the payment of the subscription monies for their entitlements of Rights Shares, other than the subscription monies which will be set-off against the Shareholder's Loan.

Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription for the Rights Shares by any of the Undertaking Shareholders to avoid placing it/him and parties acting in concert (as defined in the Code) with it/him in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their subscription entitlements fully.

In view of the Shareholders' Undertakings provided by the Undertaking Shareholders, the savings in cost by the Company as a result of not having to pay any underwriting fees and there being no minimum amount to be raised from the Rights Issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.



The obligations of the Undertaking Shareholders under the Shareholders' Undertakings are subject to and conditional upon, *inter alia*, the in-principle approval being granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the Closing Date) for the dealing in, listing of and quotation for the Rights Shares on the Official List of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company (acting reasonably).

As a result of the Rights Issue, the shareholding interests of the Shareholders (other than the Undertaking Shareholders) will be diluted if the Rights Issue is not fully subscribed for by them. For illustrative purposes, the following scenarios are set out:-

	As at Latest Practicable Date		Minimum Subscription Scenario		Maximum Subscription Scenario	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Undertaking Shareholders	161,850,000	40.87	168,368,700	41.83	242,775,000	40.87
Other Shareholders	234,150,000	59.13	234,150,000	58.17	351,225,000	59.13
<b>Total</b>	<b>396,000,000</b>	<b>100.00</b>	<b>402,518,700</b>	<b>100.00</b>	<b>594,000,000</b>	<b>100.00</b>

- (g) **if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

In view of the Shareholders' Undertakings and the savings in costs in respect of underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

### Review of Working Capital

1. Provide a review of the working capital for the last three (3) financial years and the latest half year, if applicable.

The working capital of the Group as at 31 December 2012, 2013 and 2014 and 30 June 2015 are as follows:-

(RMB'000)	As at 31 December			As at 30 June
	2012 (Audited)	2013 (Audited)	2014 (Audited)	2015 (Unaudited)
Total current assets	744,845	615,898	502,024	993,080
Total current liabilities	676,859	552,748	550,448	968,644
Working capital	67,986	63,150	(48,424)	24,436

The Group had positive working capital as at 31 December 2012, 31 December 2013 and 30 June 2015, and negative working capital as at 31 December 2014.

#### 31 December 2013 vs 31 December 2012

The working capital of the Group decreased by RMB4.8 million from RMB68.0 million as at 31 December 2012 to RMB63.2 million as at 31 December 2013.

Current assets decreased by RMB128.9 million as at 31 December 2012 to RMB615.9 million as at 31 December 2013, mainly due to the decrease in inventory of RMB30.1 million, the decrease in trade receivables of RMB54.7 million, and the decrease in cash and cash equivalents of RMB52.8 million, partially offset by the increase in other receivables, deposits and prepayments of RMB8.7 million.

Current liabilities decreased by RMB124.1 million from RMB676.9 million as at 31 December 2012 to RMB552.7 million as at 31 December 2013, mainly due to decrease of RMB61.5 million in trade payables and the decrease of RMB79.0 million in other payables and accruals including amount owing to related parties. Short term interest-bearing loans and borrowings increased by RMB7.0 million and interest-free loan from a Director increased by RMB11.3 million.

#### 31 December 2014 vs 31 December 2013

The working capital of the Group decreased by RMB111.6 million from RMB63.2 million as at 31 December 2013 to negative RMB48.4 million as at 31 December 2014.

Current assets decreased by RMB113.9 million from RMB615.9 million as at 31 December 2013 to RMB502.0 million as at 31 December 2014, mainly due to the decrease in inventories of RMB34.3 million, the decrease in trade receivables of RMB12.3 million, the decrease in other receivables, deposits and prepayments of RMB56.1 million, and the decrease in cash and cash equivalents of RMB12.1 million.

Current liabilities decreased by RMB2.3 million from RMB552.7 million as at 31 December 2013 to RMB550.4 million as at 31 December 2014, mainly due to the decreases in other payables and accruals, amount owing to related parties, and deferred income of RMB6.9 million, RMB1.7 million and RMB1.3 million respectively. The Group also repaid the interest-free loan from a Director of RMB1.5 million and paid for the income tax of RMB1.4 million for the year 2013. These decreases were offset by the increase in interest-bearing loans and borrowings of RMB17.0 million and the increase in trade payables of RMB2.4 million.

### **30 June 2015 vs 31 December 2014**

The working capital of the Group increased by RMB72.8 million from negative RMB48.4 million as at 31 December 2014 to RMB24.4 million as at 30 June 2015.

Current assets increased by RMB491.1 million from RMB 502.0 million as at 31 December 2014 to RMB993.1 million as at 30 June 2015, due mainly to the increase in inventories of RMB41.2 million, the increase in trade receivables of RMB64.3 million, the increase in other receivables, deposits and prepayments of RMB19.2 million, and the increase in cash and cash equivalents of RMB365.6 million.

Current liabilities increased by RMB418.2 million from RMB550.4 million as at 31 December 2014 to RMB968.6 million as at 30 June 2015, due mainly to the increase in trade payables of RMB125.2 million, the increase in short-term interest-bearing loans and borrowings of RMB305.7 million (including the bank note payable of RMB374.0 million which was secured by a pledge of cash deposits of RMB223.0 million) and the increase in income tax payable of RMB2.5 million. These increases were partially offset by the decrease in other payables and accruals of RMB15.4 million.

## **2. Convertible Securities**

- (a) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual;**

Not applicable. The Rights Issue does not involve an issue of convertible securities.

- (b) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

Not applicable. The Rights Issue is not underwritten.

- 3. A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**

The Manager confirms that, to the best of its knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and it is not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading.

## PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of the Entitled Depositor's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any reason(s) whatsoever the acceptance and (if applicable) excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/ OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## **2. MODE OF ACCEPTANCE AND APPLICATION**

### **2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix B of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

### **2.2 Acceptance/Application through CDP**

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part A of Section (II) of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section (II) of the ARE the number of excess Rights Shares applied for and in Section (II) of the ARE the respective and total amounts to be made payable to “**CDP-LUZHOU RIGHTS ISSUE ACCOUNT**”; and

- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
- (i) by hand to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 10 SEPTEMBER 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP-LUZHOU RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

### **2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

### **2.4 Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix A which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

### **2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or



- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

## 2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.**

## 2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 5,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,500 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

#### Alternatives

#### Procedures to be taken

- (a) Accept his entire provisional allotment of 2,500 Rights Shares and (if applicable) apply for excess Rights Shares.

- (1) Accept his entire provisional allotment of 2,500 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 2,500 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$75.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP-LUZHOU RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.



## Alternatives

## Procedures to be taken

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

(b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 10 September 2015**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$30.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,500 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments of 100 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.

- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$30.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,500 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 10 September 2015** or if an acceptance is not made through CDP by **5.00 p.m. on 10 September 2015**.

## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) **9.30 P.M. ON 10 SEPTEMBER 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) **5.00 P.M. ON 10 SEPTEMBER 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

### 5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix A, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where:
  - (i) the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or

- (ii) the amounts as stated in Parts (A) and (B) of Section (II) in the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for the excess Rights Shares,

the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 5.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Company reserves the right to refuse any application for excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

#### 5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to **"CDP-LUZHOU RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Shares is effected by **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

#### 5.5 Certificates

The certificates for the Rights Shares and excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and excess Rights Shares, CDP will send to the Entitled Depositor or Purchaser (as the case may be), **BY ORDINARY POST AND AT HIS OWN RISK**, a notification letter showing the number of Rights Shares and excess Rights Shares credited to his Securities Account.

## 5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

### **CDP Phone User Guide**

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

## 5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Company and the Manager (the "**Relevant Persons**") for the purpose of facilitating his acceptance and/or application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.



## ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at the ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the instructions set out on the ATM screen of the relevant Participating Bank and the terms and conditions for Electronic Applications set out in this Offer Information Statement before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of, and (if applicable) apply for excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renouncee or the Purchaser who accepts the provisional allotment of Rights Shares or who applies for the Rights Shares through an ATM of the Participating Banks (as the case may be). An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

**An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or application (as the case may be) liable to be rejected.**

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to, the terms and conditions appearing below:-

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:-
  - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (if applicable) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
  - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account Number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Company and the Manager (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key (as the case may be). By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of and the Third Schedule to the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision of the Company as final and binding.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM) of the number of Rights Shares accepted and (if applicable) excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or excess Rights Shares applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares both by way of ARE and/or ARS (as the case may be) through CDP and by way of Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM. CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Banker's Draft or Cashier's Order drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through Electronic Application through the ATM of a Participating Bank.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares both by way of ARE through CDP and by way of Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of Electronic Application through the ATM of a Participating Bank and by way of the ARE through CDP. CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Banker's Draft or Cashier's Order drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through the ATM of a Participating Bank.
- (7) The Applicant irrevocably requests and authorises the Company to:-
  - (a) register or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and

- (c) return (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OR FOR ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks and the Company) and any events whatsoever beyond the control of CDP, the Participating Banks and the Company and if, in any such event, CDP and/or the Participating Banks and/or the Company do not record or receive the Applicant's Electronic Application by **9.30 p.m. on the Closing Date** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks and the Company for any purported acceptance of, and if applicable, excess application for, Rights Shares, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m..**
- (11) Electronic Applications shall close at **9.30 p.m. on the Closing Date** or such other time or date as the Directors may, in their absolute discretion, decide.
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act has been lodged with the Authority);



- (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
  - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his provisional allotment of Rights Shares and (if applicable) acceptance of his application for excess Rights Shares;
  - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars, as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisional allotment of Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of the ARE or the ARS or by way of Electronic Application through the ATM of a Participating Bank, the provisional allotment of Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) excess application, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date by any one or a combination of the following:-
- (a) by means of a crossed cheque drawn on a bank in Singapore sent BY ORDINARY POST at his own risk to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions, if he accepts and (if applicable) applies through CDP; and
  - (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of a Participating Bank.

- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and/or CDP are entitled and the Applicant hereby authorises the Company and/or CDP to take into consideration:-
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
  - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the Entitled Depositor's Securities Account which is available for acceptance; and
  - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Entitled Depositor.

The Applicant hereby acknowledges that the determination of the Company and/or CDP shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under the Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of the Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as they/it may deem fit.
- (22) The Company and CDP shall be entitled to process each application submitted to the acceptance of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render such application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for excess Rights Shares.

## PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

### 1. INTRODUCTION

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:-

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

The provisional allotment of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, the enclosed PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL. The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the ARE, the ARS, the PAL, and/or other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renouncee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renouncee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for excess Rights Shares.

**Entitled Scripholders who intend to trade any part of their provisional allotment of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## **2. FORM OF ACCEPTANCE (FORM A)**

### **2.1 Acceptance**

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance should:-

- (b) complete and sign Form A of the PAL for the number of Rights Shares which they wish to accept; and
- (c) forward the PAL at their own risk, in its entirety, together with payment in the prescribed manner to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD., 6 BATTERY ROAD, #10-01, SINGAPORE 049909**, so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### **2.2 Insufficient Payment**

The attention of the Entitled Scripholder is also drawn to paragraph 2.3 of this Appendix C entitled "Appropriation" which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

### **2.3 Appropriation**

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore.

## **3. REQUEST FOR SPLITTING (FORM B) AND RENUNCIATION (FORM C)**

Entitled Scripholders who wish to accept part of their provisional allotments of Rights Shares and renounce the balance, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using Form B of the PAL, request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed Form B together with the PAL in its entirety should be returned, by post in the self-addressed envelope provided, at the sender's own risk, to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD., 6 BATTERY ROAD, #10-01, SINGAPORE 049909**, so as to arrive not later than **5.00 p.m. on 4 September 2015** (or such other time(s) and/or date(s) as may

be announced from time to time by or on behalf of the Company. Split letters will then be issued to the Entitled Scripholders in accordance with their request. No Split Letters will be issued to the Entitled Scripholders if the Form B (together with the PAL for the Rights Issue in its entirety) is received after **5.00 p.m. on 4 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing Form C before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any, and forward the said Split Letter(s) together with remittance for the payment in the prescribed manner to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD., 6 BATTERY ROAD, #10-01, SINGAPORE 049909**, so as to arrive not later than **5.00 p.m. on 4 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounees.

#### **4. FORM OF NOMINATION (FORM D)**

The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD., 6 BATTERY ROAD, #10-01, SINGAPORE 049909**, so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

#### **5. CONSOLIDATION OF RIGHTS SHARES**

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A of the PAL and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them.

**All the renounced PALs and Split Letters, each duly completed and signed, must be attached to Form A or Form D (as the case may be).**

#### **6. PAYMENT**

Payment in relation to PAL must be made in Singapore currency in the form of a Banker's Draft or a Cashier's Order drawn on a bank in Singapore and made payable to “**LUZHOU RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” and with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the remittance. The completed PAL and payment should be addressed and forwarded, at the sender's own risk, to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD., 6 BATTERY ROAD, #10-01, SINGAPORE 049909**, so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of

the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the prescribed manner as set out in the PAL is not received by **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith BY ORDINARY POST and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without any interest or any share of revenue or benefit arising therefrom with fourteen (14) days from the Closing Date.

## **7. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)**

Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing Form E of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for in the form and manner set out above, by post in the self-addressed envelope provided at their own risk, to **LUZHOU BIO-CHEM TECHNOLOGY LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD., 6 BATTERY ROAD, #10-01, SINGAPORE 049909**, so as to arrive not later than **5.00 p.m. on 10 September 2015** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for the excess Rights Shares by the Entitled Scripholders are subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares which are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for any reason in accordance with the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company reserves the right to allot the excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or to refuse, in whole or in part, any application for excess Rights Shares without assigning any reason whatsoever therefor.

If no excess Rights Shares are allotted to the Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, the amount paid on application for excess Rights Shares or the surplus of the application monies for excess Rights Shares received by the Company (as the case may be) will be refunded to such Entitled Scripholders by the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date, **BY ORDINARY POST** at their **OWN RISK**.

## **8. GENERAL**

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

**Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**



Upon listing and quotation on the Main Board of the SGX-ST, the Rights Shares, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

**To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Account) in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("NRIC")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical certificates in their names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical certificates, if issued, will be forwarded to them by ordinary post at their own risk, but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.**

If an Entitled Scripholder's address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

**THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 P.M. ON 10 SEPTEMBER 2015 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

## **9. PERSONAL DATA PRIVACY**

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Company and the Share Registrar for the purpose of processing thereof in connection with the Rights Issue, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Company and the Share Registrar in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.



**LIST OF PARTICIPATING BANKS**

**PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:-**

DBS Bank Ltd. (including POSB)

Oversea-Chinese Banking Corporation Limited

United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

**For and on behalf of LUZHOU BIO-CHEM TECHNOLOGY LIMITED**

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NIU JI XING

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WANG DE YOU

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GAO ZHONG FA

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TEOH TEIK KEE

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KONG XIANG CHAO

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ONG WEI JIN

Dated: 26 August 2015