



LUZHOU BIO-CHEM TECHNOLOGY LIMITED

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

INCORPORATION OF NEW SUBSIDIARY

The Board of Directors (the “**Board**”) of Luzhou Bio-Chem Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has incorporated a new wholly-owned subsidiary, Linyi Yiliang Trading Co., Ltd. (临沂易粮商贸有限公司) (the “**Subsidiary**”), with a registered capital of RMB 30 million.

The Subsidiary was set up to carry out procurement on behalf of the Group, including the procurement of corn raw materials. By consolidating the procurement needs of the Group, the Subsidiary is expected to obtain better pricing through economies of scale as well as to be able to obtain bank financing for the bulk purchases.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the incorporation of the Subsidiary, save through their shareholdings in the Company (if any).

By order of the Board

Niu Ji Xing
Executive Chairman and CEO
15 February 2019