



LUZHOU BIO-CHEM TECHNOLOGY LIMITED

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

LOSS OF FREE FLOAT

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Luzhou Bio-Chem Technology Limited (the “**Company**”) refers to:

- (a) the announcement issued by RHT Capital Pte. Ltd. (“**RHT**”) on 30 June 2020 (the “**Offer Announcement**”), for and on behalf of Starnova Pte. Ltd. (the “**Offeror**”), that the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) to acquire all the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it;
- (b) the announcement issued by the Company on 30 June 2020 in relation to the Offer Announcement;
- (c) the announcement issued by the Company on 6 July 2020 in relation to the appointment of CEL Impetus Corporate Finance Pte. Ltd. as the independent financial adviser (the “**IFA**”) to advise the Directors of the Company who are considered independent for the purposes of the Offer (the “**Independent Directors**”);
- (d) the announcement dated 20 July 2020 (“**Despatch Announcement**”) issued by RHT, for and on behalf of the Offeror, that, *inter alia*, the offer document dated 20 July 2020 containing the terms and conditions of the Offer (“**Offer Document**”) has been despatched to the shareholders of the Company (“**Shareholders**”) on 20 July 2020;
- (e) the announcement dated 3 August 2020 issued by the Company that the circular dated 3 August 2020 containing, *inter alia*, the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors to Shareholders in relation to the Offer, had been despatched on 3 August 2020 (“**Offeree Circular**”);
- (f) the announcement dated 17 August 2020 issued by RHT, for and on behalf of the Offeror, *inter alia*, that the Closing Date of the Offer is extended from 5.30 p.m. (Singapore time) on 17 August 2020 to 5.30 p.m. (Singapore time) on 31 August 2020; and
- (g) the announcement dated 26 August 2020 issued by RHT, for and on behalf of the Offeror, *inter alia*, (i) of the level of acceptances of the Offer as at 5.00 p.m. (Singapore time) on 26 August 2020; (ii) that the Offer has become unconditional as to acceptances and was declared unconditional in all respects on 26 August 2020; and (iii) that the closing date for the offer will be extended from 5.30 p.m. (Singapore time) on 31 August 2020 to 5.30 p.m. (Singapore time) on 14 September 2020 (the “**Offer Unconditional Announcement**”).

(collectively, the “**Previous Announcements**”).

All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Offeree Circular.

2. LOSS OF FREE FLOAT AND SUSPENSION IN TRADING

As stated in the Offer Unconditional Announcement, as at 5.00 p.m. (Singapore time) on 26 August 2020, the total number of (a) Shares owned or agreed to be acquired by the Offeror and parties acting in concert with it, and (b) valid acceptances of the Offer, amount to an aggregate of 534,742,149 Shares, representing approximately 90.02% of the total number of issued Shares of the Company.

Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public (the “Free Float Requirement”).

In accordance with Rule 724(1) of the Listing Manual, the Company wishes to announce that:

- (a) the Offeror has received valid acceptances pursuant to the Offer that bring the holdings owned, controlled or agreed to be acquired by the Offeror and its parties acting in concert with it to above 90% of the total number of issued Shares (excluding treasury shares); and**
- (b) the percentage of Shares held by the public as at 5.00 p.m. on 26 August 2020 is approximately 9.98% and is therefore less than the requisite 10% under the Free Float Requirement.**

Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10%, **the Singapore Exchange Securities Trading Limited (“SGX-ST”) will suspend trading of the Shares on the SGX-ST only at the close of the Offer.**

Shareholders should note that the Offer remains open for acceptances until 5.30 p.m. on 14 September 2020 (the “**Final Closing Date**”). The Offeror has given notice that (i) there will not be any extension of the Final Closing Date and Shareholders who do not accept the Offer by the Final Closing Date will not be able to do so after the Final Closing Date; and (ii) acceptances of the Offer received after 5.30 p.m. (Singapore time) on the Final Closing Date will be rejected. Shareholders who wish to accept the Offer should follow the procedures for the acceptance of the Offer as set out in the Offer Document, and the accompanying relevant forms of acceptance.

As stated in, *inter alia*, the Offer Document and the Offer Unconditional Announcement, in the event the Free Float Requirement is not satisfied, the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company, and has no intention to undertake or support any action for any trading suspension by the SGX-ST to be lifted. In view of the foregoing, steps will be taken to delist the Company from the SGX-ST.

3. COMPULSORY ACQUISITION

Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives valid acceptances pursuant to the Offer or acquires or agrees to acquire Shares during the Offer period other than through valid acceptances of the Offer in respect of not less than 90.0% of Shares (other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise its right to compulsorily acquire all the remaining Shares from Shareholders who have not accepted the Offer on the same terms as those offered under the Offer.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90.0% or more of the total number of issued Shares, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise the right are advised to seek their own independent advice.

As at 5.00 p.m. (Singapore time) on 26 August 2020, the Offeror owns, controls, or has agreed to acquire not less than 90.0% of the total number of issued Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer). As such, the Offeror is entitled to, and will, compulsorily acquire the remaining Shares pursuant to Section 215(1) of the Companies Act, at the Offer Price for each remaining Share.

The Offeror will, in due course, despatch the relevant documentation together with the prescribed forms required under the Companies Act in relation to the exercise of its right of compulsory acquisition to the Shareholders who have not accepted the Offer.

Shareholders who have not accepted the Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal and financial advice.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than those relating to the Offeror and the Offer) are fair and accurate, and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Previous Announcements and/or the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Teoh Teik Kee
Lead Independent Director

Singapore
27 August 2020