

18 September 2020

To: The Dissenting Shareholders / Non-Assenting Shareholders of Luzhou Bio-chem Technology Limited.

Dear Sir/Madam

Compulsory Acquisition of shares in the capital of Luzhou Bio-chem Technology Limited (the “Company”) pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “Companies Act”), by Starnova Pte. Ltd. (the “Offeror”) and rights pursuant to Section 215(3) of the Companies Act

1. Introduction

- 1.1. **Offer.** We refer to the offer document (the “**Offer Document**”) dated 20 July 2020 (the “**Commencement Date**”) in relation to the voluntary conditional general offer (the “**Offer**”) by us for all the issued and paid-up ordinary shares in the capital of the Company (“**Shares**”). The Offer has since been declared unconditional in all respects on 26 August 2020. All capitalised terms used and not defined herein shall have the same meanings given to them in the Offer Document.

If you have already (i) accepted the Offer in respect of all your Shares by completing and returning a valid Form of Acceptance and Authorisation and/or a valid Form of Acceptance and Transfer, or (ii) sold all your Shares on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) prior to the date of this letter, please disregard this letter and the accompanying Form 57 and Form 58 (each as defined below).

- 1.2. **Holdings of Shares.** As announced on 26 August 2020, as at 5.00 p.m. (Singapore time) on 26 August 2020, the total number of Shares owned, controlled or agreed to be acquired by us and parties acting or deemed to be acting in concert with us (including valid acceptances of the Offer) amount to an aggregate of 534,742,149 Shares, representing approximately 90.02 per cent. of all the Shares in issue.
- 1.3. **Compulsory Acquisition.** As we have received valid acceptances pursuant to the Offer or otherwise acquired Shares following the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90 per cent. of Shares (other than treasury shares and those already held by us, our related corporations or respective nominees as at the Commencement Date), we are entitled, and as stated in the Offer Document and announced on 26 August 2020, intend, to exercise our right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer at the Offer Price of S\$0.03 in cash for each Share (the “**Consideration**”) and on the same terms and conditions of the Offer. We will then proceed to delist the Company from the SGX-ST.

2. Compulsory Acquisition under Section 215(1) of the Companies Act

- 2.1. **Dissenting Shareholders.** According to the records maintained by The Central Depository (Pte) Limited (“**CDP**”) and/or RHT Corporate Advisory Pte. Ltd. (the “**Registrar**”) as at 5.00 p.m. (Singapore time) on 18 September 2020 (being the latest practicable date prior to the printing of this letter), you have not accepted the Offer in respect of all your Shares. Accordingly, we are writing to inform you that we are exercising our right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Shares held by you at the Consideration of S\$0.03 in cash for each Share that you own and on the same terms and conditions of the Offer. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (the “**Form 57**”).

- 2.2. **Compulsory Acquisition.** We will exercise the right of compulsory acquisition to acquire all the Shares held by you on or about 17 October 2020 (the “**Transfer Date**”), being a date after the expiration of one month from the date of the enclosed Form 57, subject to and on the terms set out in the Form 57 and the provisions of Section 215(4) of the Companies Act.
- 2.3. **Registration of Transfer.** Upon the settlement of the Consideration to the Company by us, the Company will cause to be transferred to us all the Shares held by you and register us as the holder of all those Shares as soon as practicable. The Consideration will be credited by the Company into a separate bank account and held by the Company in trust for you and paid to you in accordance with paragraph 2.4 below.
- 2.4. **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in Form 57, as soon as practicable after the Transfer Date:
- 2.4.1. if your Shares are held through a Securities Account maintained with CDP, CDP will, on our behalf, despatch remittances in the form of S\$ crossed cheques for the appropriate aggregate amount of the Consideration payable in respect of all your Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distributions; and
- 2.4.2. if your Shares are held in scrip form, the Registrar will, on our behalf, despatch a cheque for the appropriate aggregate amount of the Consideration payable in respect of all your Shares to you by registered post, at your own risk, to your address as it appears in the register of holders of the Shares, as maintained by the Registrar.
- 2.5. **No Action Needed.** No action needs to be taken by you in relation to Form 57 to effect the transfer of your Shares and entitle you to payment, which will be made to you in accordance with paragraph 2.4 above.

3. Rights under Section 215(3) of the Companies Act

- 3.1. **Non-Assenting Shareholder.** Under Section 215(3) of the Companies Act, you have the right to require us to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (the “**Form 58**”) is enclosed with this letter. You may, within three months from the date of the Form 58 (that is, by 17 December 2020), require us to acquire your Shares and we shall be entitled and bound to acquire your Shares at the Consideration (or otherwise in accordance with Section 215(3) of the Companies Act).
- 3.2. **No Action Required.** As we will be proceeding to compulsorily acquire your Shares pursuant to Section 215(1) of the Companies Act, you need not take any action in relation to the Form 58. Shareholders who nevertheless wish to exercise their right under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

4. Delisting

- 4.1. **Listing Status of the Company.** Rule 724(1) of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) is at all times held by the public (the “**Free Float Requirement**”). As announced on 26 August 2020, the Free Float Requirement is no longer satisfied.
- 4.2. As announced by the Company on 15 September 2020, trading of the Shares on the SGX-ST has been suspended. The Company will be delisted from the SGX-ST upon the completion of the compulsory acquisition exercise under Section 215(1) of the Companies

Act as described in this letter. The date on which the Company will be delisted from the SGX-ST will be announced in due course.

5. General

If you are in any doubt about any of the matters referred to in this letter, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

6. Responsibility Statement

The sole director of the Offeror (including any 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 letter is fair and accurate and that no material facts have been omitted from this letter, and he accepts responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company (including, without limitation, in relation to the Company), the sole responsibility of the director of the Offeror has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this letter.

Yours faithfully
For and on behalf of
STARNOVA PTE. LTD.

Niu Jixing
Director

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