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Luzhou Bio-chem Technology Limited 4QFY2015 net earnings rebound creditably to RMB 8.0 million from net loss of RMB 72.2 million as revenue grows by 12.5% from RMB 462.8 million to RMB 520.7 million

Singapore, 26 February 2016 -- Luzhou Bio-chem Technology Limited, ("Luzhou" or "The Group"), one of China's leading corn refiner and largest producers of maltose-related products and other corn sweeteners, posted a creditable return to profitability as net earnings in 4QFY2015 climbed to RMB 8.0 million from a net loss of RMB 72.2 million in 4QFY2014. Group revenue rose by 12.5% from RMB 462.8 million to RMB 520.7 million.

Gross profit margin improved from 4.1% to 13.7% in line with the higher business volume as well as lower raw material prices and higher capacity utilization.

Cash and bank balances for the full year FY2015 increased by 62.0% from RMB 50.6 million to RMB 81.9 million as net cash generated from operating activities grew from \$12.7 million to RMB 150.1 million. Earnings per share rebounded from negative territory to 6.3 cents while net asset value per share rose by 17.0% from 18.2 cents to 21.3 cents.

To reward Luzhou's shareholders, the Board of Directors is proposing final dividends of S\$0.002 per share.

4Q comparison – 4QFY2015 vs 4QFY2014

(RMB)	4QFY2015	4QFY2014	% Change
Revenue	520.7 mil	462.8 mil	12.5
Profit Before Tax	10.2 mil	(72.2 mil)	N.M.
Net Profit/ (Loss)	8.0 mil	(72.2 mil)	N.M.
Earnings per share	1.3 cents	(18.2 cents)	N.M.
Weighted average number of shares in issue	594,000,000	396,000,000	50.0

Full-year comparison – FY2015 vs FY2014

(RMB)	Full year FY2015	Full year FY2014	% Change
Revenue	2,431.5 mil	2,074.9 mil	17.2
Profit Before Tax	36.0 mil	(339.8 mil)	N.M.
Net Profit/ (Loss)	28.4 mil	(339.8 mil)	N.M.
Earnings per share	6.3 cents	(85.8 cents)	N.M.
Weighted average number of shares in issue	452,100,000	396,000,000	14.2

Cautious Business Outlook

Two key factors determine how the Group performs – the level of customer demand that is dependent on the overall state of the Chinese economy and the general direction of corn prices as corn constitutes the bulk of Luzhou Bio-chem's raw materials.

Mr Niu JiXing, Luzhou Bio-chem Technology Limited's Board Chairman said, "The third and fourth quarters of FY2015 have seen a steady growth in both our top and bottom lines as customers continue to fill in orders."

Steady demand for our corn refining segment – which accounts for 95% of Group revenue – played a significant role in fueling overall Group sales; the corn refining segment grew sales by 12.9% from RMB 438.3 million to RMB 494.9 million. This includes sales of corn sweeteners, corn starch and by-products whose volume increased by 26.2%, 221.5% and 17.7% respectively.

Mr Niu added, "Going forward, however, the Chinese economy is likely to remain tepid as it rationalises industrial and consumer output production following rapid economic expansion.

"On the bright side, there would be continued demand for the Group's products that are used widely across diverse industries such as food & beverage and pharmaceuticals. However, in line with the general overall business sentiments, we remain cautious in our outlook," Mr Niu said.

Corn Prices Expected to Remain Stable

The silver lining amidst this fluid and somewhat uncertain economic backdrop is the relatively stable corn prices that have benefited from the Chinese Government's long-standing policy of proactive intervention.

The weighted average selling price of the Group's corn-refining products decreased by 11.3% in 4QFY2015 due to the decrease in price of corn sweeteners, corn starch and by-products of about 6.7%, 12.2% and 18.3% respectively.

Barring any changes to this policy, we expect corn prices to continue its generally stable trend and for Luzhou Bio-chem to benefit from relatively stable raw material prices.

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About Luzhou Bio-chem Technology Limited

Established in 1988 and listed on the Main Board of the Singapore Exchange Securities Trading Limited in February 2006, Luzhou Bio-chem Technology Limited ("Luzhou") is a leading corn refiner and one of the largest producers of maltose-related products and other corn sweeteners in the People's Republic of China. Luzhou serves a diverse customer base across multiple industries including food & beverage, fermentation, medical and pharmaceutical sectors. Some of its customers include Tsingtao Brewery Co.,Ltd (青岛啤酒股份有限公司), Henan Lian Hua Weijing Co., Ltd (河南莲花味精股份有限公司), Coca-Cola China (可口可乐中国公司), Pepsi-Cola China (百事可乐中国公司) and China Resources Snow Breweries Co.,Ltd. (华润雪花啤酒 (中国) 有限公司).

Luzhou has six production facilities in China including two plants in Yishui, Shandong Province, and one each in Fushun, Liaoning Province; Xingping, Shaanxi Province; Xiping, Henan Province and Pengshan, Sichuan Province with all but one located in China's corn-belt region to ensure easy access to ample and competitively priced raw materials. Luzhou's expanded product range includes higher value-added products such as sugar alcohol, corn oil, amino acids and high-fructose corn syrup 55.

*For more information, please visit **luzhou.listedcompany.com** / **www.luzhoufood.com** or contact:*

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