



LUZHOU BIO-CHEM TECHNOLOGY LIMITED

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF SHARES

Unless otherwise defined herein, all capitalised terms and references used in this announcement shall bear the meanings ascribed to them in the announcement dated 18 June 2015 relating to the Rights Issue (the “Announcement”).

DISCLOSURES PURSUANT TO CONDITIONS UNDER IN-PRINCIPLE APPROVAL FOR LISTING OF RIGHTS SHARES

The Board of Directors of Luzhou Bio-chem Technology Limited refers to the announcement on 11 August 2015 on the receipt of in-principle approval of the SGX-ST for the listing and quotation of the Rights Shares on the Official List of the SGX-ST pursuant to the Rights Issue (the “AIP”).

Further to the said announcement on 11 August 2015, the Company wishes to make the following disclosures pursuant to the conditions under the AIP:-

- (a) The Shareholder's Loan of S\$2.0 million (equivalent to RMB9.8 million) given to the Company in March 2013 by Mr Niu Ji Xing (the Executive Chairman and Chief Executive Officer of the Company) was utilised by the Company for general working capital purposes and the entire sum was utilised for the purchase of raw materials for production.
- (b) As stated in the Announcement, the Shareholder's Loan owing to Mr Niu 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. As such, the proceeds from the Rights Issue will first be applied to repayment of the Shareholder's Loan, followed by the repayment of bank borrowings, in the event that the Rights Issue is not fully subscribed, notwithstanding that the Shareholder's Loan is interest-free whereas the bank borrowings bear interest and the Shareholder's Loan is due only in September 2016.

It should be noted that the AIP is not to be taken as an indication of the merits of the Rights Issue, Rights Shares, the Company and/or its subsidiaries.

By order of the Board

Niu Ji Xing
Executive Chairman and Chief Executive Officer
13 August 2015