

REYPHON AGRICEUTICAL LIMITED
(Company Registration No. 200613997H)
(Incorporated in the Republic of Singapore)

JIANGXI NEW REYPHON BIOCHEMICAL CO., LTD

The Board of Directors of Reyphon Agriceutical Limited ("Company") wishes to announce that since the Company made its second quarter financial statement announcement to the Singapore Exchange Securities Trading Limited on 12 August 2008, the operating results of its principal subsidiary, Jiangxi New Reyphon Biochemical Co., Ltd ("JNR") continues to deteriorate. Due to poor operation management, JNR has accumulated abnormally high inventories. JNR's management has also committed significant capital expenditure to start a new business in producing a product without informing the Board of Directors of the Company. Consequently, JNR's operating cash position has deteriorated significantly as a result of high inventories and the aforesaid capital expenditure. Because of the deteriorating situation, JNR may have difficulty in rolling over its bank loan and hence may face shortfall of working capital.

The Company realized the seriousness of the situation and has reorganised JNR's Board of Directors to curb the deterioration of the situation. The new Board of Directors of JNR is taking the following actions immediately:

1. build a new management team;
2. review the feasibility of the above-mentioned new business in producing a new product;
3. review the need to temporarily shut down the production plants at Jiangxi, XinGan County considering that Gibberellic Acids sales will enter into weak season and JNR has already have very high inventories level; and
4. step up effort to collect trade debts to improve working capital position.

The Company will make further announcement to update significant development concerning the situation in JNR at appropriate time.

By Order of the Board

Phang Kong Juan
Company Secretary
16 October 2008

The initial public offering of the Company's shares was sponsored by Phillip Securities Pte Ltd.