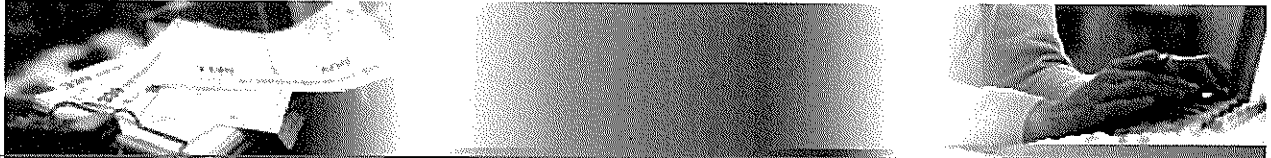




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**Announcement Details :**

Announcement Reference Number	<b>00167</b>
Broadcast Status	PUBLISHED
Broadcast Date & Time	12-Feb-2007 19:04:20
Submission Date & Time	12-Feb-2007 19:03:11
Company Name	MAE ENGINEERING LTD
Announcement Title	MISCELLANEOUS :: (A) FORMATION OF JOINT VENTURE TO FORM A JOINT VENTURE COMPANY TO NEGOTIATE AND ACQUIRE INDONESIAN ASIAN PLANTATIONS. (B) TERMINATION OF THE MEMORANDUM OF UNDERSTANDING ("MOU") FOR FORMATION OF BEIJING EQUIPMENT INSTALLATION ENGINEERING PTE LTD ("NEWCO") WITH BEIJING CONSTRUCTION ENGINEERING CO. LTD.
Announcement Category	MISCELLANEOUS

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## **LERENO BIO-CHEM LTD**

(formerly known as MAE Engineering Ltd)  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 197401961C)

- (A) **FORMATION OF JOINT VENTURE TO FORM NEW JOINT VENTURE COMPANY TO NEGOTIATE AND ACQUIRE INDONESIAN ASSETS/ PLANTATIONS.**
  - (B) **TERMINATION OF THE MEMORANDUM OF UNDERSTANDING ("MOU") FOR FORMATION OF BEIJING EQUIPMENT INSTALLATION ENGINEERING PTE LTD ("NEWCO") WITH BEIJING CONSTRUCTION ENGINEERING CO. LTD.**
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- (A) **FORMATION OF JOINT VENTURE TO FORM NEW JOINT VENTURE COMPANY TO NEGOTIATE AND ACQUIRE INDONESIAN ASSETS/ PLANTATIONS.**

The Company is pleased to announce that it has formed a joint venture with Reno Plantation Holdings Pte. Ltd. ("RPH") to establish a joint venture company incorporated in Singapore named as Reno Pacific Plantations Private Limited ("RenoPac"), with the primary purpose of acquiring palm oil plantations and other assets in Indonesia and elsewhere as part of the Company's plan to become stakeholder and participate in securing the future feedstock supplies for her biofuel plants.

RPH, the majority owner of several Pemodalan Asing (foreign investment) ("PMA") companies in Indonesia possesses the rights over large areas of potential palm plantation lands.

The majority of the issued and paid up share capital of RPH is deemed held by Mr Suganda Setiadikurnia (a director of the Company) together with several substantial partners including Ms Dawn Kong, the daughter of Mr Kong Mun Kwong (a director of the Company).

The shareholding structure of RenoPac shall be approximately as follows:

- a) RPH - 75%
- b) Lereno Bio-Chem Ltd - 25%

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Total	- 100 %
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The initial paid-up capital of the new RenoPac shall be S\$100.00.

The enlistment of RPH as partner in the proposed RenoPac is necessary to enable and help RenoPac in the negotiations to purchase a controlling interest in several assets including about 65,000 hectares of plantations in Indonesia and elsewhere.

The RenoPac joint venture and the shareholdings have been approved by the Company's Board of Directors on 10 February 2007.

**(B) TERMINATION OF THE MEMORANDUM OF UNDERSTANDING ("MOU") FOR FORMATION OF BEIJING EQUIPMENT INSTALLATION ENGINEERING PTE LTD ("NEWCO") WITH BEIJING CONSTRUCTION ENGINEERING CO. LTD ("BCECL")**

The Company refers to its announcement on 6 July 2004 (attached herewith) in relation to the signing of a Memorandum of Understanding between the Company and Beijing Construction Engineering Co. Ltd ("BCECL") for the formation of NEWCO in order for Beijing Equipment Installation Engineering Corporation ("BEIEC"), a subsidiary of BCECL to transfer all its assets, including properties, contracts and staff to NEWCO, and thereafter, for NEWCO to assume and carry out the business that is undertaken by BEIEC.

The Company wishes to announce that although fast progress was made during the initial stage, the negotiations and the full agreement on the formal joint venture agreement for the formation of NEWCO and the transfer of BEIEC's assets to the NEWCO was delayed and could not be finalized on terms that were acceptable to both parties, especially the Company.

In view of the above and the change in the Company's main business focus (to biofuel production and its related businesses) made at a Board Meeting on 10 February 2007, the Company has approved the termination of the MOU and the negotiations for the joint venture agreement to form the NEWCO and the transfer of BEIEC's assets to NEWCO.

BY ORDER OF THE BOARD OF DIRECTORS  
**LERENO BIO-CHEM LTD**  
(formerly known as MAE Engineering Ltd)

Ong Puay Koon  
Managing Director & Chief Executive Officer  
12 February 2007

MASNET No. 107 OF 06.07.2004  
Announcement No. 121



MAE ENGINEERING LTD

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## **MEMORANDUM OF UNDERSTANDING**

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### **Introduction**

MAE Engineering Ltd (the "Company") wishes to announce that the Company has on 6 July 2004 entered into a memorandum of understanding ("MOU") with Beijing Construction Engineering Co. Ltd ("BCECL") to form a new company to be known as Beijing Equipment Installation Engineering Pte Ltd ("NEWCO").

BCECL is a limited liability company based in Beijing, the People's Republic of China ("PRC"). BCECL is foremost in the industry with principal activities in construction of industrial and public housing projects, property development and management, construction equipment installation, construction techniques development, engineering and technical consultancy, leasing of construction machines and insurance agencies covering buildings, equipment installation, related enterprise properties, automobile and accidental injuries/ damages.

BCECL has a subsidiary in the PRC known as Beijing Equipment Installation Engineering Corporation ("BEIEC") with principal activities in the mechanical and electrical engineering installation of industrial, public housing projects, government public utilities and sports complex, steel structure engineering and fabrication, interior decoration, heavy equipment installation and including testing and commissioning.

### **The Proposed Transaction**

In the proposed transaction, BEIEC shall transfer all its assets, including properties, contracts and staff, and thereafter, NEWCO will assume and carry out the business that is currently undertaken by BEIEC. NEWCO will be able to carry on the business of BEIEC and benefitting from its construction grading category, licences, honorary titles, awards and technical knowhow currently belonging to BEIEC. Upon the completion of transfer, BEIEC will cease to operate.

The proposed paid-up capital for NEWCO shall be approximately RMB100,000,000 with the Company holding 51% and BCECL holding 49%. Capital to be contributed by the Company into the NEWCO shall be in the form of cash.

### **Rationale for the Transaction**

The Proposed Transaction will enable the Company to gain immediate access to the engineering and construction market in PRC. This is expected to boost the Company's revenue. BEIEC is an established company and highly recognised in PRC. It has a long track record with professional management team and staff.

**General**

The MOU sets out the understanding and intention of both parties. Both parties would negotiate with each other to reach a formal agreement based on the terms of the MOU. The Company will make further announcement as and when the formal agreement is finalised.

**Financial Effects**

As of this date, the Company is unable to provide financial information on its impact on the earnings per share or the net tangible assets per share of the Company for the financial year ending 31 March 2005 as details of the Proposed Transaction have not been finalised. The Company will make further announcements as and when appropriate.

**Interests of Directors and Substantial Shareholders**

None of the Directors of the Company has any interest, direct or indirect, in the above transaction. As far as the Directors are aware, no substantial shareholder of the Company has an interest, direct or indirect, in the above transaction and the Directors have not received any notification of any interest in the transaction from any substantial shareholder.

Submitted by Ong Puay Koon, Executive Vice Chairman on 06/07/2004 to the SGX