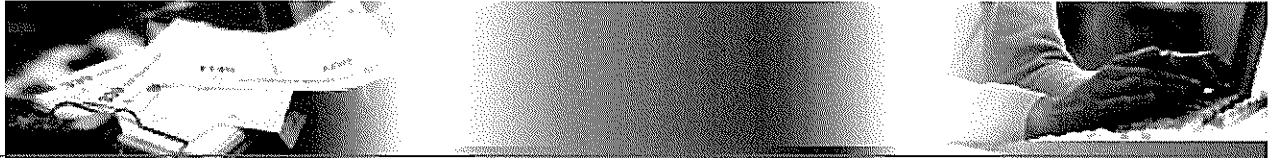




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Announcement Reference Number	<b>00012</b>
Broadcast Status	PUBLISHED
Broadcast Date & Time	26-May-2007 16:01:58
Submission Date & Time	26-May-2007 16:00:46
Company Name	LERENO BIO-CHEM LTD.
Announcement Title	FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMEN
Announcement Category	FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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**Full Year \* Financial Statement And Dividend Announcement**

\* Asterisks denote mandatory information


Name of Announcer *	LERENO BIO-CHEM LTD.
Company Registration No.	197401961C
Announcement submitted on behalf of	LERENO BIO-CHEM LTD.
Announcement is submitted with respect to *	LERENO BIO-CHEM LTD.
Announcement is submitted by *	Barbara Seng Suet Shee
Designation *	Company Secretary
Date & Time of Broadcast	26-May-2007 16:01:58
Announcement No.	00012

**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2007
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**Attachments:**

 LBCFY2007FullYearResults.pdf  
 Total size = **99K**  
 (2048K size limit recommended)

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Unaudited Full-Year Financial Statement

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 &amp; Q3) HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Income Statements

	GROUP		Change %
	Year ended 31 Mar 2007 S\$'000 (unaudited)	Year ended 31 Mar 2006 S\$'000	
<b>Revenues</b>			
Construction income	2,750	11,458	(76)
Rental income on exhibits	-	-	-
Interest income	69	-	NM
Other income	495	286	73
<b>Total revenues</b>	<u>3,314</u>	<u>11,744</u>	(72)
<b>Costs and expenses</b>			
Raw materials and consumables used	2,663	11,032	(76)
Subcontract costs	20	(18)	(211)
Staff costs	2,923 *	3,121	(6)
Depreciation of fixed assets	61	118	(48)
Other operating expenses	1,731	4,591	(62)
<b>Total costs and expenses</b>	<u>7,398</u>	<u>18,844</u>	(61)
<b>Operating loss from continuing operations</b>	(4,084)	(7,100)	(42)
Finance costs	(342)	(460)	(26)
Share of results of associated company	(25)	-	NM
<b>Loss from continuing operations before taxation</b>	<u>(4,451)</u>	<u>(7,560)</u>	(41)
Taxation	(47)	(110)	(57)
<b>Loss from continuing operations after taxation</b>	<u>(4,498)</u>	<u>(7,670)</u>	(41)
<b>Net loss from discontinuing operations</b>	(482)	(340)	42
Gain on disposal of discontinued operations	-	955	(100)
<b>Net (loss)/gain from discontinuing operations</b>	<u>(482)</u>	<u>615</u>	
<b>Net loss for the year attributable to equity holders of the Company</b>	<u>(4,980)</u>	<u>(7,055)</u>	(29)

\* S\$1,681,000 of the staff costs were identified as project development cost for biofuel projects to facilitate future recovery from the projects.

Notes to Income Statements

The following items were charged/(credited) to the income statements:

	GROUP		Change %
	Year ended 31 Mar 2007 S\$'000	Year ended 31 Mar 2006 S\$'000	
Impairment loss on assets held for sale	305	256	NM
Exchange (gain)/loss	(244)	62	(494)
Impairment loss in quoted equity shares	-	93	(100)
Allowance for doubtful debts - non-trade	41	100	(59)
Provision for settlement of legal claims	19	425	(96)
Under provision for taxation in respect of previous years	40	-	NM
Gain on disposal of property, plant and equipment	(101)	(138)	(27)
Provision for warranty	21	78	(73)
Property, plant and equipment written off	-	2	NM

\* NM - Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

**Balance Sheets**

	Group		Company	
	31 Mar 2007 S\$'000	31 Mar 2006 S\$'000	31 Mar 2007 S\$'000	31 Mar 2006 S\$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant & equipment	201	51	179	24
Investment in quoted securities	606	1,006	606	1,006
Investment in subsidiaries	-	-	655	655
Investment in associates	17,768	-	17,793	-
<b>CURRENT ASSETS</b>				
Contracts-in-progress	-	1,616	-	-
Trade receivables	35	33	-	101
Other receivables	312	157	63	108
Prepayment	66	116	59	-
Amounts owing by subsidiary companies	-	-	112	-
Amounts owing by associated companies	186	120	40	12
Amounts owing by related parties	2,860	3,011	-	3,002
Cash at bank and in hand	3,215	37	3,123	9
Assets classified as held for sale	1,020	1,325	1,020	1,325
	<u>7,694</u>	<u>6,415</u>	<u>4,417</u>	<u>4,557</u>
<b>LESS: CURRENT LIABILITIES</b>				
Contracts-in-progress	-	-	-	-
Amounts due to bankers	4,459	7,456	2,719	7,456
Trade payables	792	808	715	743
Other payables	2,546	3,712	2,456	3,259
Provision for warranty and defects	227	206	-	-
Provision for litigation claims	373	675	373	675
Amounts owing to subsidiary companies	-	-	-	7,914
Amounts owing to an associated company	266	254	53	51
Amounts owing to related parties	12,152	14,067	11,725	4,073
Provision for taxation	-	90	-	-
	<u>20,815</u>	<u>27,268</u>	<u>18,041</u>	<u>24,171</u>
NET CURRENT LIABILITIES	(13,121)	(20,853)	(13,624)	(19,614)
<b>NON-CURRENT LIABILITIES</b>				
Hire purchase creditors	(101)	(57)	(101)	(57)
	<u>5,353</u>	<u>(19,853)</u>	<u>5,508</u>	<u>(17,986)</u>
SHARE CAPITAL*	62,929	32,342	62,929	32,342
FAIR VALUE RESERVES	(400)	-	(400)	-
ACCUMULATED LOSSES	(57,212)	(52,232)	(57,021)	(50,328)
FOREIGN CURRENCY TRANSLATION RESERVE	36	37	-	-
	<u>5,353</u>	<u>(19,853)</u>	<u>5,508</u>	<u>(17,986)</u>

Note: \* Following the recent changes in the Companies (Amendment) Act 2005, the par value concept was abolished on 30/01/2006. As such, share premium of the Company has been transferred to the share capital as at 31/03/06.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/07	
Secured S\$'000	Unsecured S\$'000
14	4,459

As at 31/03/06	
Secured S\$'000	Unsecured S\$'000
25	7,456

Amount repayable after one year

As at 31/03/07	
Secured S\$'000	Unsecured S\$'000
101	-

As at 31/03/06	
Secured S\$'000	Unsecured S\$'000
57	-

Details of any collateral

The secured borrowings are in relation to assets acquired under hire purchase financing.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**Cash Flow Statements**

	GROUP	
	Year ended 31 Mar 2007 S\$'000	Year ended 31 Mar 2006 S\$'000
<b>Cash flow from operating activities</b>		
Loss from continuing operations before taxation	(4,451)	(7,560)
Loss from discontinuing operations	(482)	615
Adjustments for:		
Depreciation of property, plant and equipment	61	118
Impairment loss in quoted equity shares	-	93
Allowance for doubtful debts - non-trade	41	100
Gain on disposal of subsidiaries	-	(955)
Gain on disposal of property, plant and equipment	(101)	(138)
Provision for warranty	21	78
Provision for settlement of legal claims	19	425
Impairment loss on assets held for sale	305	256
Interest expense	342	460
Interest income	(69)	-
Share of results of associated company	25	-
Property, plant and equipment written off	-	2
Bad debt written off	-	5
	<u>(4,289)</u>	<u>(6,501)</u>
<b>Operating loss before reinvestment in working capital</b>		
(Increase)/decrease in debtors	(148)	2,895
Decrease in stocks and contracts-in-progress	1,616	537
Decrease in creditors and accruals	(1,492)	(804)
(Decrease)/increase in amount due to related parties	(1,764)	563
(Decrease)/increase in amount due to associated company	(54)	3,688
	<u>(6,131)</u>	<u>378</u>
<b>Cash (used in)/generated from operations</b>		
Interest received	69	-
Interest paid	(342)	(444)
Income taxes paid	(137)	(63)
	<u>(6,541)</u>	<u>(129)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(215)	(5)
Proceeds from property, plant and equipment	105	267
Investment in associated company	(293)	-
Disposal of subsidiaries, net of cash disposed	-	(2)
	<u>(403)</u>	<u>260</u>
<b>Net cash (used in)/generated from investing activities</b>		
<b>Cash flow from financing activities</b>		
Payment made to bankers and financial institutions	(546)	(716)
Payment made to hire purchase creditor	33	(263)
Payment of expenses on issuance of shares	-	(5)
Issuance of shares	13,087	-
	<u>12,574</u>	<u>(984)</u>
<b>Net cash generated from/(used in) in financing activities</b>		
Net decrease in cash & cash equivalents	5,630	(853)
Cash and cash equivalents at beginning of the period	(6,073)	(5,282)
Effects of exchange differences on opening cash	(1)	62
	<u>(444)</u>	<u>(6,073)</u>
<b>Cash and cash equivalents at end of the year</b>		
Cash and cash equivalents comprise the following:-		
Cash at bank and in hand	3,215	37
Bank overdraft	(3,659)	(6,110)
	<u>(444)</u>	<u>(6,073)</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Changes in equity - Group (S\$'000)	Share Capital	Share Premium	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total
As at 1 April 2006	32,342	-	-	37	(52,232)	(19,853)
Foreign currency translation arising on consolidation	-	-	-	(1)	-	(1)
Fair value adjustment on quoted investment	-	-	(400)	-	-	(400)
Net loss directly recognised in equity			(400)	(1)		(401)
Net loss for the year	-	-	-	-	(4,980)	(4,980)
Total recognised income and expenses for the year	-	-	(400)	(1)	(4,980)	(5,381)
Acquisition of an associated company through issuance of shares	17,500	-	-	-	-	17,500
New shares issued	13,087	-	-	-	-	13,087
As at 31 March 2007	62,929	-	(400)	36	(57,212)	5,353
As at 1 April 2005	20,752	11,595	-	(25)	(45,177)	(12,855)
Foreign currency translation arising on consolidation	-	-	-	62	-	62
Due to disposal of subsidiaries	-	-	-	-	-	-
New shares issued	-	-	-	-	-	-
Expenses on issue of ordinary shares	-	(5)	-	-	-	(5)
Net loss for the year	-	-	-	-	(7,055)	(7,055)
Implementation of Companies (Amendment) Act 2005	11,590	(11,590)	-	-	-	-
As at 31 March 2006	32,342	-	-	37	(52,232)	(19,853)
Changes in equity - Company (S\$'000)	Share Capital	Share Premium	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total
As at 1 April 2006	32,342	-	-	-	(50,328)	(17,986)
Fair value adjustment on quoted investment	-	-	(400)	-	-	(400)
Net loss directly recognised in equity			(400)	-		(400)
Net loss for the year	-	-	-	-	(6,693)	(6,693)
Total recognised income and expenses for the year	-	-	(400)	-	(6,693)	(7,093)
Acquisition of an associated company through issuance of shares	17,500	-	-	-	-	17,500
New shares issued	13,087	-	-	-	-	13,087
As at 31 March 2007	62,929	-	(400)	-	(57,021)	5,508
As at 1 April 2005	20,752	11,595	-	-	(44,582)	(12,235)
New shares issued	-	-	-	-	-	-
Expenses on issue of ordinary shares	-	(5)	-	-	-	(5)
Net loss for the year	-	-	-	-	(5,746)	(5,746)
Implementation of Companies (Amendment) Act 2005	11,590	(11,590)	-	-	-	-
As at 31 March 2006	32,342	-	-	-	(50,328)	(17,986)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company issued 415,045,060 Rights Shares and 207,522,527 Warrants pursuant to the Rights Issue on the basis of one (1) Rights Share for every one (1) existing share of the Company on 8 August 2006.

On 16 March 2007, the Company acquired 38% of Lereno Sdn Bhd via issuance of 350,000,000 ordinary shares at \$0.05 each.

During the financial year ended 31 March 2007, 20,308,500 warrants were exercised and converted into 20,308,500 ordinary shares at an exercise price of \$0.05 each.

All the above-mentioned shares were issued ranking pari passu in all respects with the existing issued ordinary shares in the capital of the Company.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by the auditors, Messrs Ernst & Young.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited financial statements. For current financial year, the accounting treatment for the acquisition of shares in an associated company is as follows :

*Application of FRS 28 (revised) – Investments in Associates and FRS 103 – Business Combinations for accounting treatment on acquisition of investment in associated company .*

As at 31 March 2007, the Company and the Group had an investment in an associated company, Lereno Sdn Bhd, with a carrying value of \$17.5 million. The Company acquired this associated company during the year. The purchase consideration for this acquisition was satisfied by the issue of new shares in the Company based on the agreed share price of \$0.05 per share. This was subsequently approved at an EGM on 10 February 2007 pursuant to the Preliminary Agreement signed by the vendor and the Company in December 2005 at which time the share price of S\$0.05 per share was at a 100% premium to the then traded share price of the Company. The Board are of the view that the agreed issued price of 5 cents per share represents the fair value of the shares issued pursuant to this transaction. Under FRS 28 and FRS 103 the value to be used should be the issued price on the date of issue but in this case the Board believes that the subsequent increased share price of 16.5 cent per share at the date of issue should not be used as the issued price per share for the transaction. The application of FRS 28 and 103 would have no impact on the disclosed net asset value of the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by any accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Year ended 31 Mar 2007	Year ended 31 Mar 2006
Basic loss per ordinary share:		
(i) Based on net loss from continuing operations	(0.62) cents	(1.85) cents
(ii) Based on net loss from discontinuing operations	(0.07) cents	(0.15) cents

The computation of basic loss per ordinary share is based on weighted average number of shares of 721,135,686. (31 March 2006: 415,045,060 shares)

Diluted loss per ordinary share :		
(i) Based on net loss from continuing operations	(0.57) cents	(1.85) cents
(ii) Based on net loss from discontinuing operations	(0.06) cents	(0.15) cents

The computation of diluted loss per ordinary share is based on weighted average number of shares of 788,346,491. (31 March 2006: 415,045,060 shares)

7. Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
Net asset value per ordinary share (cents)	0.45	(4.78)	0.46	(4.33)

Net asset value per ordinary share for the Group and Company is based on 1,200,398,620 shares (31 March 2006: 415,045,060 shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on (including where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Revenue for the Group for the year ended 31 March 2007 was \$3.314 million compared to \$11.744 million for the previous year. The decrease was mainly due to lower construction income as that activity is diminishing and revenue from the new bio-fuel activity has yet to commence.

The Group incurred a loss of \$4.980 million for the year ended 31 March 2007, an improvement of \$2.075 million (29%) compared to the loss of \$7.055 million for the year ended 31 March 2006. The reduction in loss for the current year was mainly due to the decrease in other operating expenses of \$2.860 million (62%) from \$4.591 million in the previous year to \$1.731 million this year due to the various cost control measures taken by the Company.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast or prospect statement which has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has completed the acquisition of Lereno Sdn Bhd (LSB) on 20 March 2007. With the acquisition of Lereno, the Group will focus on biofuel and its related business as a new core business of the Group. The change of the Company's name to Lereno Bio-chem (LBC) in Feb 2007 reflects that new vision and new direction.

The Company has set up a joint-venture with Indonesia-based Reno Plantation Holdings (RPH) to establish a new Company for the primary purpose of acquiring palm oil plantation and related assets.

Based on the report from Lereno Sdn Bhd (LSB), LSB will be commissioning their Lumut plant in June 2007 and has accepted their first order of Biodiesel from a leading German conglomerate for their June/July 2007 production.

#### 11. Dividends

##### (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

##### (b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

##### (c) Date payable

NIL

##### (d) Books closure date

NIL

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended for the current financial period or the immediately preceding financial year.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in issuer's most recently audited annual financial , with comparative information for the immediately preceding year.

(a) Business segment

Revenue and results - 31 March 2007

	Continuing Operations			Discontinuing Operations	Total Operations
	Biofuel & related business S\$'000	Mechanical & electrical engineering S\$'000	Sub-total S\$'000	Edutainment S\$'000	Consolidated S\$'000
Segment revenue	-	2,750	2,750	-	2,750
Interest income	-	69	69	-	69
Other revenue	-	495	495	-	495
Total revenue	-	3,314	3,314	-	3,314
Segment result	(1,681)	(2,403)	(4,084)	(482)	(4,566)
Finance costs					(342)
					(4,908)
Share of results of associated company					(25)
Loss before tax					(4,933)
Tax expense					(47)
Minority interests, net of tax					-
Net loss for the year					(4,980)

(a) Business segment

Revenue and results - 31 March 2006

	Continuing Operations			Discontinuing Operations	Total Operations
	Biofuel & related business S\$'000	Mechanical & electrical engineering S\$'000	Sub-total S\$'000	Edutainment S\$'000	Consolidated S\$'000
Segment revenue	-	11,458	11,458	-	11,458
Interest income	-	-	-	-	-
Other revenue	-	286	286	-	286
Total revenue	-	11,744	11,744	-	11,744
Segment result	-	(7,100)	(7,100)	(340)	(7,440)
Finance costs					(460)
					(7,900)
Gain from disposal of subsidiary					955
Loss before tax					-
Tax expense					(6,945)
Minority interests, net of tax					(110)
Net loss for the year					(7,055)

(b) Geographical segment

Revenue - 31 March 2007

	Singapore S\$'000	Malaysia S\$'000	Others S\$'000	Total S\$'000
Sales to external customers	-	2,750	-	2,750
Interest income	69	-	-	69
Other revenue	495	-	-	495
Total revenue	564	2,750	-	3,314

Revenue - 31 March 2006

	Singapore S\$'000	Malaysia S\$'000	Others S\$'000	Total S\$'000
Sales to external customers	942	10,412	104	11,458
Interest income	-	-	-	-
Other revenue	286	-	-	286
Total revenue	1,228	10,412	104	11,744

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8 for the review.

15. A breakdown of sales.

	31 Mar 2007 S\$'000	31 Mar 2006 S\$'000	Change %
(a) Sales reported for first half year	772	3,238	(76)
(b) Operating loss reported for first half year	(1,964)	(2,653)	(26)
(c) Sales reported for second half year	1,978	8,220	(76)
(d) Operating loss reported for second half year	(3,016)	(4,402)	(31)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Interested Person Transactions

The aggregate value of interested person transactions is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
<u>Revenue</u>		
Secondment charges billed to Bintai Kindenko Pte Ltd	-	145
Project Billings to Bintai Integrated Engineering & Construction Sdn. Bhd.	-	2,661
<u>Costs and expenses</u>		
Project expenses paid on behalf by Bintai Integrated Engineering & Construction Sdn Bhd	-	2,556
Procurement services billed by Kejuruteraan Bintai Kindenko Sdn Bhd	-	104
Office rental billed by Sun Continental Investment & Trading Pte Ltd	-	228

BY ORDER OF THE BOARD

Ong Puay Koon  
 Managing Director and Chief Executive Officer  
 LERENO BIO-CHEM LTD  
 26 May 2007