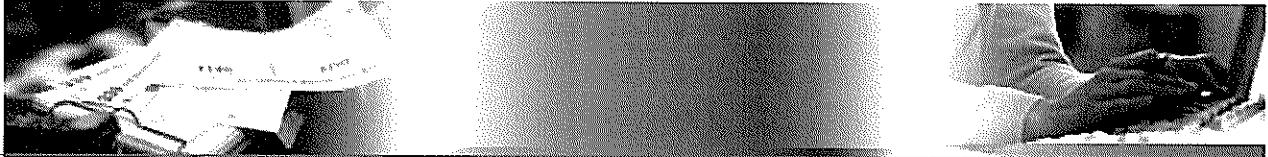




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Announcement Reference Number	<b>00282</b>
Broadcast Status	PUBLISHED
Broadcast Date & Time	14-Nov-2007 21:30:59
Submission Date & Time	14-Nov-2007 21:29:44
Company Name	LERENO BIO-CHEM LTD.
Announcement Title	HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMEN
Announcement Category	FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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**Half 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	14-Nov-2007 21:30:59
Announcement No.	00282

**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2007
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**Attachments:**

 FY08HalfYearFinancialResult14Nov07.pdf  
 Total size = **219K**  
 (2048K size limit recommended)

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## Unaudited Half-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 immediate financial year

Income Statements

	Group		
	6 months ended 30 Sept 2007	6 months ended 30 Sept 2006	Change
	S\$'000	S\$'000	%
<b>Revenue</b>			
Construction income	317	772	(59)
Interest income	47	17	176
Other income	76	153	(50)
Total revenue	<u>440</u>	<u>942</u>	(53)
<b>Costs and expenses</b>			
Raw materials and consumables used	311	776	(60)
Subcontract costs	-	-	NM
Staff costs - Shared-based payment (Note 1)	1,660	-	NM
- Other	1,307	950	38
Other operating expenses	693	852	(19)
Total costs and expenses	<u>3,971</u>	<u>2,578</u>	54
Operating loss from continued operations	(3,531)	(1,636)	116
Finance costs	(149)	(196)	(24)
Share of loss of an associated company (Note 2)	(317)	-	NM
Loss from continuing operations before taxation	(3,997)	(1,832)	118
Taxation	(3)	(44)	(93)
Loss from continuing operations after taxation	(4,000)	(1,876)	113
Net loss from discontinued operations	(198)	(88)	125
Net Loss for the period attributable to equity holders of the Company	<u>(4,198)</u>	<u>(1,964)</u>	114

Notes to Income Statements

(1) The Increase In staff costs as compared to the same period last year was mainly due to recruitment of new staff required to support the increased operations and the current period also included share-based payments of S\$1.660 million relating to shares issued to directors and staff under the Restricted Share Scheme previously approved by the shareholders. The share-based payments did not have any impact on the cashflow of the Company.

(2) The share of loss of an associated company for the period arose from Lereno Sdn Bhd in which the Company acquired a 38% interest during March 2007.

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

	Group		
	6 Months ended 30 Sept 2007	6 months ended 30 Sept 2006	Change
	S\$'000	S\$'000	%
Impairment loss on non-current assets held for sale	119	-	NM
Depreciation of fixed assets	31	38	(18)
Exchange gain	(1)	(53)	(98)
Provision for warranty and defects	1	2	(50)
Provision for litigation claim	-	27	(100)
Under provision for taxation in respect of previous years	-	44	(100)

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	
	As at 30 Sept 2007 S\$'000	As at 31 Mar 2007 S\$'000	As at 30 Sept 2007 S\$'000	As at 31 Mar 2007 S\$'000
<b>Non current assets</b>				
Property, plant and equipment	190	201	169	179
Subsidiaries	-	-	655	655
Associated companies	17,452	17,768	17,793	17,793
Other investment	526	606	526	606
	<u>18,168</u>	<u>18,575</u>	<u>19,143</u>	<u>19,233</u>
<b>Current assets</b>				
Trade receivables	37	35	-	-
Other receivables	230	312	115	63
Prepayments	237	66	115	59
Amounts owing by subsidiaries	-	-	1,177	112
Amounts owing by associated companies	366	186	63	40
Amounts owing by related parties	2,477	2,860	7	-
Cash and short-term deposits	7,499	3,215	7,350	3,123
Non-current assets held for sale	901	1,020	901	1,020
	<u>11,747</u>	<u>7,694</u>	<u>9,728</u>	<u>4,417</u>
<b>Current liabilities</b>				
Amounts due to bankers	4,451	4,459	2,582	2,719
Trade payables	766	792	707	715
Other payables	1,844	2,546	1,695	2,456
Provision for warranty and defects	228	227	-	-
Provision for litigation claims	373	373	373	373
Amounts owing to associated companies	206	266	53	53
Amounts owing to related parties	28	12,152	27	11,725
	<u>7,896</u>	<u>20,815</u>	<u>5,437</u>	<u>18,041</u>
<b>Net current assets/ (liabilities)</b>	<b>3,851</b>	<b>(13,121)</b>	<b>4,291</b>	<b>(13,624)</b>
<b>Non-current liabilities</b>				
Hire purchase creditors	(92)	(101)	(92)	(101)
<b>Net assets</b>	<u><b>21,927</b></u>	<u><b>5,353</b></u>	<u><b>23,342</b></u>	<u><b>5,508</b></u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	83,777	62,929	83,777	62,929
Accumulated losses	(61,410)	(57,212)	(59,955)	(57,021)
Fair value reserve	(480)	(400)	(480)	(400)
Foreign currency translation reserve	34	36	-	-
	<u>21,921</u>	<u>5,353</u>	<u>23,342</u>	<u>5,508</u>
Minority interest	6	-	-	-
<b>Total equity</b>	<u><b>21,927</b></u>	<u><b>5,353</b></u>	<u><b>23,342</b></u>	<u><b>5,508</b></u>

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

**Amount repayable in one year or less, or on demand**

As at 30 Sept 2007	
Secured S\$'000	Unsecured S\$'000
16	4,451

As at 31 Mar 2007	
Secured S\$'000	Unsecured S\$'000
14	4,459

**Amount repayable after one year**

As at 30 Sept 2007	
Secured S\$'000	Unsecured S\$'000
92	-

As at 31 Mar 2007	
Secured S\$'000	Unsecured S\$'000
101	-

**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	
	6 months ended 30 Sept 2007	6 months ended 30 Sept 2006
	S\$'000	S\$'000
<b>Cash flow from operating activities</b>		
Loss from continuing operations before taxation	(3,997)	(1,832)
Loss from discontinued operations	(198)	(88)
Adjustments for:		
Depreciation of fixed assets	31	38
Share-based payments	1,660	-
Impairment loss on non-current assets held for sale	119	-
Provision for warranty and defects	1	2
Provision for litigation claim	-	27
Gain on disposal of fixed assets	-	(100)
Interest expense	149	196
Interest income	(47)	(17)
Share of loss of an associated company	317	-
<b>Operating loss before reinvestment in working capital</b>	<b>(1,965)</b>	<b>(1,774)</b>
Increase in contracts-in-progress	-	(734)
Decrease/(Increase) in debtors	80	(46)
Increase in prepayment	(171)	(45)
Decrease in creditors and accruals	(733)	(492)
(Increase)/ Decrease in amount due from an associated company	(240)	27
(Decrease)/ Increase in amount owing to related parties	(41)	551
<b>Cash used in operations</b>	<b>(3,070)</b>	<b>(2,513)</b>
Interest received	47	17
Interest paid	(149)	(196)
Income taxes paid	-	(48)
<b>Net cash used in operating activities</b>	<b>(3,172)</b>	<b>(2,740)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(20)	(118)
Proceeds from sale of fixed assets	-	106
<b>Net cash used in investing activities</b>	<b>(20)</b>	<b>(12)</b>
<b>Cash flow from financing activities</b>		
Capital contributed by minority shareholder of subsidiary	6	-
Payments made to bankers and financial institutions	-	(256)
Repayment of hire purchase creditors	(7)	-
Net proceeds received from rights issues	-	12,047
Issuance of new shares - Share Placement	6,526	-
Warrants conversions	961	-
<b>Net cash generated from financing activities</b>	<b>7,486</b>	<b>11,791</b>
Net increase in cash and cash equivalents	4,294	9,039
Cash and cash equivalents at beginning of the period	(444)	(6,073)
Effect of exchange differences on opening cash	(2)	68
<b>Cash and cash equivalents at end of the period</b>	<b>3,848</b>	<b>3,034</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash at bank and in hand	973	875
Bank overdraft	(3,651)	(3,507)
Fixed deposits	6,526	5,666
	<b>3,848</b>	<b>3,034</b>

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)	Attributable to equity holders of the Company				Minority Interest	Total equity
	Share Capital	Accumulated Losses	Fair Value Reserve	Translation Reserve		
As at 1 April 2007	62,929	(57,212)	(400)	36	5,353	5,353
Foreign currency translation differences	-	-	-	(2)	(2)	(2)
Net fair value changes on available-for-sale financial assets	-	-	(80)	-	(80)	(80)
Net expenses recognised directly in equity	-	-	(80)	(2)	(82)	(82)
Net loss for the period	-	(4,198)	-	-	(4,198)	(4,198)
Total recognised income and expenses for the period	-	(4,198)	(80)	(2)	(4,280)	(4,280)
Issue of new ordinary shares	19,887	-	-	-	19,887	19,887
Share warrant conversion	961	-	-	-	961	961
Minority interest's capital contribution in a subsidiary	-	-	-	-	6	6
As at 30 September 2007	83,777	(61,410)	(480)	34	21,921	21,927
As at 1 April 2006	32,342	(52,232)	37	-	(19,853)	(19,853)
Foreign currency translation differences	-	-	68	-	68	68
Net Income recognised directly in equity	-	-	68	-	68	68
Net loss for the period	-	(1,964)	-	-	(1,964)	(1,964)
Total recognised income and expenses for the period	-	(1,964)	68	-	(1,896)	(1,896)
Net proceeds from rights issue	12,047	-	-	-	12,047	12,047
As at 30 September 2006	44,389	(54,196)	105	-	(9,702)	(9,702)
Changes in equity - Company (S\$'000)	Attributable to equity holders of the Company			Total		
	Share Capital	Accumulated Losses	Fair Value Reserve			
As at 1 April 2007	62,929	(57,021)	(400)	5,508		
Net fair value changes on available-for-sale financial assets	-	-	(80)	(80)		
Net expenses recognised directly in equity	-	-	(80)	(80)		
Net loss for the period	-	(2,934)	-	(2,934)		
Total recognised income and expenses for the period	-	(2,934)	(80)	(3,014)		
Issue of ordinary shares	19,887	-	-	19,887		
Share warrant conversion	961	-	-	961		
As at 30 September 2007	83,777	(59,955)	(480)	23,342		
As at 1 April 2006	32,342	(50,328)	-	(17,986)		
Net loss for the period	-	(1,351)	-	(1,351)		
Total recognised income and expenses for the period	-	(1,351)	-	(1,351)		
Net proceeds from rights issue	12,047	-	-	12,047		
As at 30 September 2006	44,389	(51,679)	-	(7,290)		

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.

**Restricted Share Scheme ("RSS")**

	6 months ended 30 Sep 2007	6 months ended 30 Sep 2006
Balance at beginning of period	-	-
Shares granted during the period	38,016,000	-
Shares issued during the period	(15,815,000)	-
Balance at end of period	22,201,000	-

**Warrants**

	6 months ended 30 Sep 2007	6 months ended 30 Sep 2006
Balance at beginning of period	187,214,027	-
Issued during the period	-	207,522,527
Converted during the period	(19,230,000)	-
Balance at end of period	167,984,027	207,522,527

**Number of Ordinary Shares**

	6 months ended 30 Sep 2007	6 months ended 30 Sep 2006
Balance at beginning of period	1,200,398,620	415,045,060
Rights Shares	-	415,045,060
Placement of shares	35,000,000	-
Conversion of warrants	19,230,000	-
Conversion of debts	68,700,000	-
Employee Share Awards (RSS)	15,815,000	-
Balance at end of period	1,339,143,620	830,090,120

On 24 July 2007, the Company completed the placement of 35,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.19296.

On 29 August 2007, the Company had granted 38,016,000 shares to its employees under the Restricted Share Scheme ("RSS"). As at 30 September 2007, the number of share awards outstanding was 22,201,000.

For the financial period ended 30 September 2007, the number of warrants exercised and converted into ordinary shares and the number of share awards granted and issued are shown in the above tables. The shares issued rank 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 its 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 in compliance with the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year.

The adoption of the new/revised FRSs do not have any significant financial impact on 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**

	6 months ended 30 Sept 2007	6 months ended 30 Sept 2006
Basic loss per ordinary share :		
(i) Based on net loss from continuing operations	(0.30) cents	(0.33) cents
(ii) Based on net loss from discontinued operations	(0.02) cents	(0.02) cents

The computation of basic loss per ordinary share is based on weighted average number of shares of 1,315,528,052. (30 Sept 2006: 574,699,060 shares)

Diluted loss per ordinary share :		
(i) Based on net loss from continuing operations	(0.28) cents	(0.33) cents
(ii) Based on net loss from discontinued operations	(0.01) cents	(0.02) cents

The computation of diluted loss per ordinary share is based on weighted average number of shares of 1,443,230,087. (30 Sept 2006: 574,699,060 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	
	As at 30 Sept 2007	As at 31 Mar 2007	As at 30 Sept 2007	As at 31 Mar 2007
Net asset value per ordinary share (cents)	1.64	0.45	1.74	0.46

Net asset value per ordinary share for the Group and Company is based on 1,339,143,620 (31 March 2007: 1,200,398,620).

**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 six-months ended 30 September 2007 was S\$0.440 million compared to S\$0.942 million for the same period last year. The decrease was due to low construction activities.

Staff cost has increased by S\$2.017 million for the period under review mainly due the following reasons:

- (a) Additional head count has been recruited to support biofuel and related activities.
- (b) Share-based payments was made to directors and staff amounting to S\$1.660 million pursuant to the shareholders' approval of the Restricted Share Scheme.

The acquisition of associated company, Lereno Sdn Bhd ("LSB"), was completed in March 2007. The 38% share of LSB's loss for the period under review was S\$0.317 million relating mainly to pre-production costs.

The Group registered a loss of S\$4.198 million for the six months ended 30 September 2007 compared to a loss of S\$1.964 million for the same period last year mainly due to share of loss of associated company and increase in staff cost as explained above.

The Group's working capital has improved from a negative S\$13.121 million to a positive S\$3.851 million mainly due to the following corporate exercises:

- (a) The completion of the debt conversion of S\$11.7 million in May 2007.
- (b) Net proceeds of the 35 million share placement amounting to S\$6.526 million received in July 2007.

In view of the reasons mentioned above, the Net Tangible Assets of the Group have also quadrupled from S\$5.353 million to S\$21.927 million since 31 March 2007.

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

There were no forecasts or prospect statements issued.

**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 6 months.**

The Group has made bio-chemical, biofuel and its related business as its new core business since last year. The Group's biodiesel plant in Lumut Malaysia (of which the Group has 38% interest), has commenced production. On 7 September 2007, JTC Corporation had granted a 3.4 hectare land in Jurong Island to our subsidiary company, Lereno BC (Singapore) Pte Ltd, for our development of biofuel and oleochemical production facilities there. Our Jurong Island biodiesel plant is designed to accept multiple feedstocks which will provide us the flexibility to manage the impact of the price volatility of crude palm oil.

We are negotiating substantial stakes in several oil palm plantation resources in Indonesia and Malaysia. This is one part of a current objective to ensure that there is a stable and continuous supply of feedstock for our biofuel plants. Besides looking upstream, we are also looking into partnerships for bio-resources development and downstream into research and further development of oleochemical production, byproduct and biomass processing facilities. The planned diversified revenue sources will contribute significantly to the stability and sustainability of the Group's future income.

On 12 October 2007, our shareholders have approved the scheme and the issue of up to S\$20 million non-interest bearing convertible notes. Completion of this transaction is still pending.

**11. Dividend**

**(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**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared/recommendeded for the half-year.

### 13. 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)
	S\$'000	S\$'000
<u>Revenue</u> Project revenue by Bintai Kindenko Pte Ltd	-	159
<u>Costs and expenses</u> Office rental by Sun Continental Investment & Trading Pte Ltd	-	183

#### BY ORDER OF THE BOARD

ONG PUAY KOON  
Managing Director and Chief Executive Officer  
LERENO BIO-CHEM LTD

14 November 2007

#### CONFIRMATION BY THE BOARD

We, ONG PUAY KOON and KONG MUN KWONG being two directors of Lereno Bio-Chem Ltd ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the 6 months period ended 30 September 2007 to be false or misleading.

On behalf of the board of directors

ONG PUAY KOON  
Managing Director and Chief Executive Officer

KONG MUN KWONG  
Deputy Chief Executive Officer and Executive Director