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Miscellaneous	
* 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	04-Jul-2008 19:26:03
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>> Announcement Details
 The details of the announcement start here ...

Announcement Title * **PROPOSED CAPITAL REDUCTION EXERCISE TO REDUCE THE ISSUED AND FULLY PAID-UP SHARE CAPITAL OF THE COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETNIG ("EGM")**

Description

Attachments

-  ProposedCapitalReductionExercise_N_NoticeOfEGM.pdf
-  LerenoBC_NoticeOfEGM.pdf

Total size = **105K**
 (2048K size limit recommended)

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LERENO BIO-CHEM LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 197401961C)

PROPOSED CAPITAL REDUCTION EXERCISE TO REDUCE THE ISSUED AND FULLY PAID-UP SHARE CAPITAL OF THE COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING ("EGM")

Further to the Board of Directors of Lereno Bio-Chem Ltd's (the "Company" or "LBC") announcements on 11 June 2008 and 26 June 2008, the Company attaches the Notice of EGM for the proposed capital reduction exercise for your attention.

The proposed capital reduction exercise (the "Proposed Capital Reduction") is an accounting procedure to be undertaken by the Company in accordance with Section 78A read together with Section 78C of the Companies Act (Cap. 50) to cancel off all accumulated past losses of the Company of S\$105,169,309 ("Accumulated Losses") as at 31 March 2008 arising from past operations etc. This exercise is necessary to re-position and help the Company in its preparation for the future principally in the following:

- a) to facilitate declaration of dividends to the Company's shareholders. If the capital reduction exercise is not carried out, the Company may not be able to declare any dividend to shareholders until the accumulated losses are fully eliminated by the future years' profit. Hence, the management took the view that it is in the best interests of the shareholders for the Proposed Capital Reduction to be carried out to eliminate the accumulated losses of S\$105,169,309 as of 31 March 2008 to facilitate future declaration of dividends;
- b) to strengthen the balance sheet of the Company and to better reflect the financial position of the Company; and
- c) to facilitate future equity-related fund raising for the Company to expand or enlarge its business activities, e.g. acquisition of assets and/ or businesses, issuing of securities, placement of shares etc.

The Proposed Capital Reduction will **NOT**:

- 1. affect the number of the Company's shares in issue;
- 2. reduce the number of shares held by any shareholder after the Proposed Capital Reduction;
- 3. be a return of capital to shareholders;
- 4. affect the net tangible assets, earnings per share and gearing of the Company and the LBC group of companies;
- 5. change the net shareholders' funds or any shareholder's share of the Company's net shareholders' funds;
- 6. entail any outflow of cash from the Company for the Proposed Capital Reduction.

It is estimated that the Proposed Capital Reduction will become effective, upon lodgments to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"), and after 6 weeks from the date of the EGM (where shareholders pass the resolution for the Proposed Capital Reduction to be undertaken) and, subject to there being no objection(s) from creditors on the Proposed Capital Reduction.

SGX-ST has cleared the Company's circular to shareholders in respect of the Proposed Capital Reduction. The SGX-ST's clearance is not an indication of the merits of the Proposed Capital Reduction or its compliance with any statutory requirements.

The Company's Board of Directors is of the view that the Proposed Capital Reduction is in the interests of the Company and its shareholders and recommends that shareholders vote in favour of the same.

The Circular dated 5 July 2008 to seek shareholders' approval for the Proposed Capital Reduction at the EGM to be held on 28 July 2008 at 12.00 noon or immediately after the conclusion of the Annual General Meeting of the Company (held at 11.00 a.m. on the same day and at the same place) will be dispatched to shareholders on 5 July 2008.

The SGX-ST assumes no responsibility for the correctness of any statements made or reports contained or opinions expressed in the Circular.

By Order of the Board

Ong Puay Koon
Managing Director & Chief Executive Officer
4 July 2008

LERENO BIO-CHEM LTD

(the "Company")

(Registration No. 197401961C)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at National Library Building, Level 5, Imagination Room, 100 Victoria Street, Singapore 188064 on 28 July 2008 at 12.00 noon (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place) for the purpose of considering, and if thought fit, passing with or without modifications, the following resolution:-

Special Resolution:

Proposed Capital Reduction Exercise

Pursuant to Article 51 of the Articles of Association of the Company and subject to the provisions of Section 78A read with Section 78C of the Companies Act, Chapter 50 ("Companies Act") of the Republic of Singapore:

- (A) the issued and paid up share capital of the Company be reduced by S\$105,169,309 in accordance with Section 78A read with Section 78C of the Companies Act and that such reduction be effected by cancelling the issued and paid-up share capital of the Company which is unrepresented by available assets to the extent of S\$105,169,309;
- (B) that an amount equal to S\$105,169,309, being the credit arising from the cancellation of the issued and paid up capital, be applied to cancel the Accumulated Losses of the Company as at 31 March 2008 to the extent of S\$105,169,309; and
- (C) approval be and is hereby given to the Directors of the Company – to do all such acts and things and take such steps and exercise such discretion in connection with all or any of the above matters, with full power to assent to any condition, modification, variation and/or amendment as may be required by the relevant authorities, as the Directors may in their absolute discretion deem fit, advisable, necessary or expedient to give effect to this Special Resolution and the Capital Reduction Exercise (as defined in the Circular).

By Order of the Board

Barbara Seng Suet Shee
Company Secretary
5 July 2008

Notes:

- (1) Terms and expressions not defined herein have the same meanings ascribed to them in the Circular.
- (2) Every Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (3) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, signed by an attorney duly authorised, or by an officer on behalf of the corporation, or the common seal must be affixed thereto.
- (4) The instrument appointing a proxy must be deposited at the registered office of the Company at 149 Rochor Road #05-13/15 Fu Lu Shou Complex Singapore 188425 at least forty-eight (48) hours before the time fixed for the Extraordinary General Meeting or any postponement or adjournment thereof.