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**First Quarter \* 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
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2008
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**Attachments**

 LBC\_Q1Results\_30June2008.pdf  
 Total size = **181K**  
 (2048K size limit recommended)

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

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

Income Statements

	Group		
	1Q2009 S\$'000	1Q2008 S\$'000	+ / (-) %
<b>Revenue</b>			
Construction income	5	102	(96)
Interest income	1	14	(93)
Other income	5	36	(86)
Total revenue	11	152	(93)
<b>Costs and expenses</b>			
Raw materials and consumables used	4	102	(96)
Staff costs	688	642	7
Share-based payment	1,323	-	NM
Other operating expenses	578	363	59
Total costs and expenses	2,593	1,107	134
Operating loss from continuing operations	(2,582)	(955)	170
Finance costs	(31)	(75)	(59)
Share of results of associated company	(647)	(164)	295
Loss from continuing operations before taxation	(3,260)	(1,194)	173
Taxation	(36)	(2)	NM
Loss from continuing operations after taxation	(3,296)	(1,196)	176
Net loss from discontinued operation	(9)	(40)	(78)
Net Loss for the period attributable to equity holders of the Parent	(3,305)	(1,236)	167

Notes to Income Statements

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

	Group		
	1Q2009 S\$'000	1Q2008 S\$'000	+ / (-) %
Depreciation of Property, plant and equipment	21	16	31
Under provision for taxation in respect of prior years	36	-	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	
	30 Jun 2008	Audited 31 Mar 2008	30 Jun 2008	Audited 31 Mar 2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	178	198	139	153
Subsidiaries	-	-	-	-
Associated companies	15,444	16,090	17,793	17,793
Other investment	367	494	367	494
	<u>15,989</u>	<u>16,782</u>	<u>18,299</u>	<u>18,440</u>
<b>Current assets</b>				
Trade receivables	37	36	-	-
Other receivables	295	287	189	177
Prepayments	212	205	161	169
Amounts owing by subsidiaries	-	-	2,630	2,045
Amounts owing by associated companies	388	3	388	3
Amounts owing by related parties	3,231	3,320	119	117
Cash and short-term deposits	862	2,590	674	2,387
Non-current assets held-for-sale	200	200	200	200
	<u>5,225</u>	<u>6,641</u>	<u>4,361</u>	<u>5,098</u>
<b>Current liabilities</b>				
Amounts due to bankers	2,561	2,594	2,561	2,594
Trade payables	628	628	569	568
Other payables	1,405	1,449	1,218	1,337
Provision for warranty and defects	220	227	-	-
Provision for litigation claims	430	430	430	430
Amounts owing to related parties	644	658	82	82
	<u>5,888</u>	<u>5,986</u>	<u>4,860</u>	<u>5,011</u>
<b>Net current assets/ (liabilities)</b>	(863)	655	(499)	87
<b>Non-current liabilities</b>				
Hire purchase creditors	(83)	(87)	(83)	(87)
<b>Net assets</b>	<u>15,243</u>	<u>17,350</u>	<u>17,717</u>	<u>18,440</u>
<b>Equity attributable to equity holders of the Parent</b>				
Share capital	125,445	124,122	125,445	124,122
Accumulated losses	(109,601)	(106,296)	(107,089)	(105,170)
Fair value reserve	(639)	(512)	(639)	(512)
Translation reserve	34	32	-	-
	<u>15,239</u>	<u>17,346</u>	<u>17,717</u>	<u>18,440</u>
Minority interest	4	4	-	-
<b>Total equity</b>	<u>15,243</u>	<u>17,350</u>	<u>17,717</u>	<u>18,440</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 Jun 2008	
Secured S\$'000	Unsecured S\$'000
15	2,561

As at 31 Mar 2008	
Secured S\$'000	Unsecured S\$'000
15	2,594

Amount repayable after one year

As at 30 Jun 2008	
Secured S\$'000	Unsecured S\$'000
83	-

As at 31 Mar 2008	
Secured S\$'000	Unsecured S\$'000
87	-

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	
	1Q2009 S\$'000	1Q2008 S\$'000
<b>Cash flow from operating activities</b>		
Loss from continuing operations before taxation	(3,260)	(1,194)
Loss from discontinued operations	(9)	(40)
Adjustments for:		
Depreciation of property, plant and equipment	21	16
Share-based payments	1,323	-
Interest expense	31	75
Interest income	(1)	(14)
Share of results of associated company	647	164
<b>Operating loss before reinvestment in working capital</b>	<b>(1,248)</b>	<b>(993)</b>
(Increase)/decrease in receivables	(9)	111
Increase in prepayment	(8)	(145)
Decrease in payables	(51)	(352)
Increase in amount due from associated companies	(385)	(42)
Decrease/(increase) in amount due to related parties	75	(53)
<b>Cash used in operations</b>	<b>(1,626)</b>	<b>(1,474)</b>
Interest received	1	14
Interest paid	(31)	(75)
Income taxes paid	(36)	-
<b>Net cash used in operating activities</b>	<b>(1,692)</b>	<b>(1,535)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(1)	(6)
<b>Net cash used in investing activities</b>	<b>(1)</b>	<b>(6)</b>
<b>Cash flow from financing activities</b>		
Payment made to hire purchase creditors	(4)	(3)
Proceeds from conversion of warrants	-	961
<b>Net cash (used in)/ generated from financing activities</b>	<b>(4)</b>	<b>958</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,697)</b>	<b>(583)</b>
Cash and cash equivalents at beginning of the period	796	(444)
Effect of exchange differences on opening cash	2	6
<b>Cash and cash equivalents at end of the period</b>	<b>(899)</b>	<b>(1,021)</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash at bank and in hand	612	231
Bank overdraft	(1,761)	(3,470)
Fixed deposits	260	2,218
	<b>(899)</b>	<b>(1,021)</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 Parent				Total	Minority Interest	Total equity
	Share Capital	Accumulated Losses	Fair Value Reserve	Translation Reserve			
As at 1 April 2008	124,122	(106,296)	(512)	32	17,346	4	17,350
Foreign currency translation differences	-	-	-	2	2	-	2
Net fair value changes on available-for-sale financial assets	-	-	(127)	-	(127)	-	(127)
Net income and expenses recognised directly in equity	-	-	(127)	2	(125)	-	(125)
Net loss for the period	-	(3,305)	-	-	(3,305)	-	(3,305)
Total recognised income and expenses for the period	-	(3,305)	(127)	2	(3,430)	-	(3,430)
Issue of new ordinary shares	1,323	-	-	-	1,323	-	1,323
As at 30 June 2008	125,445	(109,601)	(639)	34	15,239	4	15,243
As at 1 April 2007	103,179	(97,462)	(400)	35	5,353	-	5,353
Foreign currency translation differences	-	-	-	7	7	-	7
Net fair value changes on available-for-sale financial assets	-	-	(62)	-	(62)	-	(62)
Net income and expenses recognised directly in equity	-	-	(62)	7	(55)	-	(55)
Net loss for the period	-	(1,236)	-	-	(1,236)	-	(1,236)
Total recognised income and expenses for the period	-	(1,236)	(62)	7	(1,291)	-	(1,291)
Warrant conversion	961	-	-	-	961	-	961
Issue of new ordinary shares	11,700	-	-	-	11,700	-	11,700
As at 30 June 2007	115,840	(98,698)	(462)	43	16,723	-	16,723
Changes in equity - Company (S\$'000)	Attributable to equity holders of the Company						
	Share Capital	Accumulated Losses	Fair Value Reserve	Total			
As at 1 April 2008	124,122	(105,170)	(512)	18,440			
Net fair value changes on available-for-sale financial assets	-	-	(127)	(127)			
Net expenses recognised directly in equity	-	-	(127)	(127)			
Net loss for the period	-	(1,919)	-	(1,919)			
Total recognised income and expenses for the period	-	(1,919)	(127)	(2,046)			
Issue of new ordinary shares	1,323	-	-	1,323			
As at 30 June 2008	125,445	(107,089)	(639)	17,717			
As at 1 April 2007	103,179	(97,271)	(400)	5,508			
Net fair value changes on available-for-sale financial assets	-	-	(62)	(62)			
Net expenses recognised directly in equity	-	-	(62)	(62)			
Net loss for the period	-	(675)	-	(675)			
Total recognised income and expenses for the period	-	(675)	(62)	(737)			
Warrant conversion	961	-	-	961			
Issue of new ordinary shares	11,700	-	-	11,700			
As at 30 June 2007	115,840	(97,946)	(462)	17,432			

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

**Shares Granted to directors and staff under Restricted Share Scheme ("RSS")**

	3 months ended 30 June 2008	3 months ended 30 June 2007
Balance at beginning of period	22,201,000	-
Granted during the period	-	-
Issued during the period	(12,599,000)	-
Balance at end of period	9,602,000	-

**Warrants**

	3 months ended 30 June 2008	3 months ended 30 June 2007
Balance at beginning of period	166,084,027	187,214,027
Issued during the period	-	-
Converted during the period	-	(19,230,000)
Balance at end of period	166,084,027	167,984,027

**Number of Ordinary Shares**

	3 months ended 30 June 2008	3 months ended 30 June 2007
Balance at beginning of period	1,341,043,620	1,200,398,620
Conversion of warrants	-	19,230,000
Conversion of debts	-	68,700,000
Employee Share Award	12,599,000	-
Balance at end of period	1,353,642,620	1,288,328,620

There are no treasury shares in issue.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The number of issued shares as at 30 June 2008 was 1,353,642,620 (31 March 2008: 1,341,043,620).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

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 for the period under review have not been audited or reviewed by the auditors.

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.

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

	3 months ended 30 June 2008	3 months ended 30 June 2007
Basic loss per ordinary share :		
(i) Based on net loss from continuing operations	(0.25) cents	(0.10) cents
(ii) Based on net loss from discontinued operations	- cents	- cents

The computation of basic loss per ordinary share is calculated based on the weighted average number of shares of 1,335,377,869. (30 Jun 2007: 1,142,424,484 shares)

Diluted loss per ordinary share :		
(i) Based on net loss from continuing operations	(0.24) cents	(0.09) cents
(ii) Based on net loss from discontinued operations	- cents	- cents

The computation of diluted loss per ordinary share is calculated based on the weighted average number of shares of 1,353,172,586. (30 Jun 2007: 1,277,645,352 shares)

7. Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	As at 30 June 2008	As at 31 March 2008	As at 30 June 2008	As at 31 March 2008
Net asset value per ordinary share (cents)	1.13	1.29	1.31	1.38

Net asset value per ordinary share for the Group and Company is based on 1,353,642,620 (31 March 2008: 1,341,043,620).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :

- (a) 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;
- (b) 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 1Q 2009 was S\$11,000 versus that of S\$152,000 in 1Q 2008. The decrease was mainly due to lower construction income as most of our projects have been completed and revenue from the new biofuel and related activities are still being developed.

The Group registered a loss of S\$3.305 million for 1Q 2009 compared to a loss of S\$1.236 million for 1Q 2008. The reasons were:

- (i) the share-based payment of S\$1.323 million issued to staff and directors under the second tranche of the restricted share awards approved by the shareholders at the extraordinary general meeting on 14 July 2007.
- (ii) the share of results of the associated company, Lereno Sdn Bhd ("LSB") for 1Q 2009 had increased by S\$0.483 million as compared to 1Q 2008.

The net current liabilities of S\$0.663 million as at 30 June 2008 arose mainly because of cash used for the operations.

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.

- (a) At the date of this announcement, the market conditions of biofuel industry remain competitive due to the high feedstock price. On 2 July 2008, LBC Estate Holdings Sdn Bhd, a wholly-owned subsidiary of LBC has entered into a preliminary agreement for the proposed purchase of all issued shares in Jerak Nursery Sdn Bhd (JN). The proposed acquisition is intended to secure feedstock supplies for the Company's biofuel production facilities and to create a platform to engage in trading of Jatropha and other seedlings.
- (b) Following our announcements dated 11 June 2008 and 26 June 2008, the proposed capital reduction exercise was approved by the shareholders at the extraordinary general meeting on 28 July 2008 and will be accounted for at the next quarter.

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/recommended, a statement to that effect

No dividend has been declared/recommended during the financial period.

### 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 S\$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 S\$100,000)
	1Q2009 S\$'000	1Q2009 S\$'000
<u>Costs and expenses</u> Office rental billed by Sun Continental Investment & Trading Pte Ltd	-	80

BY ORDER OF THE BOARD

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

Confirmation pursuant to Rule 705(4) of the SGX Listing Manual

We, ONG PUAY KOON and KONG MUN KWONG, being two directors of Lereno Bio-Chem Ltd ("the Company"), do hereby confirm on behalf the Board that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the first quarter ended 30 June 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

ONG PUAY KOON  
Managing Director and Chief Executive Officer  
5 August 2008

KONG MUN KWONG  
Deputy Chief Executive Officer and Executive Director