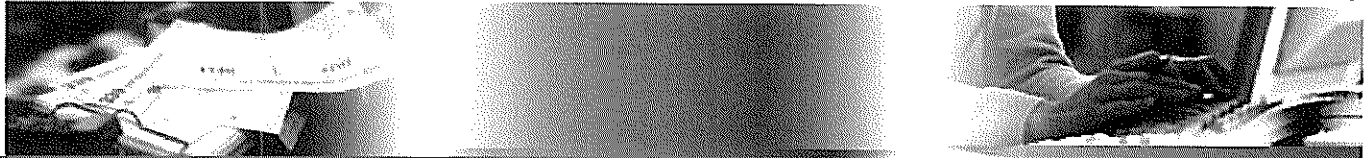




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Announcement Details :

Announcement Reference Number	00115
Broadcast Status	PUBLISHED
Broadcast Date & Time	13-Nov-2008 18:22:33
Submission Date & Time	13-Nov-2008 18:20:59
Company Name	LERENO BIO-CHEM LTD.
Announcement Title	HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
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	13-Nov-2008 18:22:33
Announcement No.	00115

>> Announcement Details
 The details of the announcement start here ...

For the Financial Period Ended *	30-09-2008
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Attachments

 LBC_Unaudited_Results_for_2ndQ_and_HalfYear_ended_30Sep08.pdf
 Total size = **530K**
 (2048K size limit recommended)

Close Window

UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2008

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

The Directors of Lereno Bio-Chem Ltd wish to announce the unaudited results of the Group for the second quarter ended 30 September 2008 ("2Q FY 2009") and half year ("1H FY 2009") ended 30 September 2008

- 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			Group		
	2nd Qtr ended 30.09.08	2nd Qtr ended 30.09.07	+ / (-)	1st Half Yr ended 30.09.08	1st Half Yr ended 30.09.07	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Construction income	1	215	(100)	6	317	(98)
Interest income	-	33	NM	1	47	(98)
Other income	308	40	670	313	76	312
Total revenue	309	288	7	320	440	(27)
Costs and expenses						
Raw materials and consumables used	1	209	(100)	5	311	(98)
Staff costs	635	665	(5)	1,323	1,307	1
Other staff costs - Share-based payment (Note1)	1,087	1,660	(35)	2,410	1,660	45
Other operating expenses	516	330	56	1,094	693	58
Total costs and expenses	2,239	2,864	(22)	4,832	3,971	22
Operating loss from continued operations	(1,930)	(2,576)	(25)	(4,512)	(3,531)	28
Finance costs	(32)	(74)	(57)	(63)	(149)	(58)
Share of loss of an associated company	(751)	(153)	391	(1,398)	(317)	341
Loss from continuing operations before taxation	(2,713)	(2,803)	(3)	(5,973)	(3,997)	49
Taxation	11	(1)	NM	(25)	(3)	747
Loss from continuing operations after taxation	(2,702)	(2,804)	(4)	(5,998)	(4,000)	50
Net loss from discontinued operations	(9)	(158)	(94)	(18)	(198)	(91)
Net Loss for the period attributable to equity holders of the parent	(2,711)	(2,962)	(8)	(6,016)	(4,198)	

Notes to Income Statements

(1) The share-based payment to directors and staff is pursuant to the employee share scheme approved by the shareholders at the extraordinary general meeting on 14 July 2007.

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

	Group			Group		
	2nd Qtr ended 30.09.08	2nd Qtr ended 30.09.07	+ / (-)	1st Half Yr ended 30.09.08	1st Half Yr ended 30.09.07	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Impairment loss on non-current assets held-for-sale	-	119	NM	-	119	NM
Depreciation of fixed assets	21	15	40	42	31	35
Exchange loss/(gain)	15	-	NM	123	(1)	NM
Provision for warranty and defects	-	1	NM	-	1	NM
(Over)/underprovision for taxation in respect of previous years	(11)	-	NM	25	-	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		Notes	Company	
	30 Sep 2008	Audited 31 Mar 2008		30 Sep 2008	Audited 31 Mar 2008
	S\$'000	S\$'000		S\$'000	S\$'000
Non current assets					
Property, plant and equipment	157	198		124	153
Subsidiaries	-	-		-	-
Associated companies	14,692	16,090		17,793	17,793
Other investment	448	494		448	494
	<u>15,297</u>	<u>16,782</u>		<u>18,365</u>	<u>18,440</u>
Current assets					
Trade receivables	34	36		-	-
Other receivables	191	287		123	177
Prepayments	317	205		157	169
Amounts owing by subsidiaries	-	-		3,282	2,045
Amounts owing by associated companies	400	3		400	3
Amounts owing by related parties	2,937	3,320		10	117
Cash and short-term deposits	862	2,590		696	2,387
Non current assets held-for-sale	200	200		200	200
	<u>4,941</u>	<u>6,641</u>		<u>4,868</u>	<u>5,098</u>
Current liabilities					
Amounts due to bankers	2,598	2,594		2,598	2,594
Trade payables	328	628		270	568
Other payables	2,502	1,449		2,397	1,337
Provision for warranty and defects	217	227		-	-
Provision for litigation claims	430	430		430	430
Amounts owing to related parties	433	658		30	82
	<u>6,508</u>	<u>5,986</u>		<u>5,725</u>	<u>5,011</u>
Net current assets/ (liabilities)	(1,567)	655		(857)	87
Non current liabilities					
Hire purchase creditors	(78)	(87)		(78)	(87)
Net assets	<u>13,652</u>	<u>17,350</u>		<u>17,430</u>	<u>18,440</u>
Equity attributable to equity holders of the parent					
Share capital	21,316	124,122	(a)	21,316	124,122
Accumulated losses	(7,142)	(106,296)	(a)	(3,328)	(105,170)
Fair value reserve	(558)	(512)		(558)	(512)
Translation reserve	32	32		-	-
	<u>13,648</u>	<u>17,346</u>		<u>17,430</u>	<u>18,440</u>
Minority interest	4	4		-	-
Total equity	<u>13,652</u>	<u>17,350</u>		<u>17,430</u>	<u>18,440</u>

Notes to Balance Sheet:

(a) The Company completed its capital reduction exercise on 12 September 2008, in accordance with the resolution passed at the AGM. The issued capital of the Company was reduced by S\$105,169,309 and the accumulated losses of the Company of S\$105,169,309 as at 31 March 2008 cancelled.

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 Sep 2008		As At 31 Mar 2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
16	2,598	14	2,594

Amount repayable after one year

As At 30 Sep 2008		As At 31 Mar 2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
78	-	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		Group	
	2nd Qtr ended 30.09.08 S\$'000	2nd Qtr ended 30.09.07 S\$'000	1st Half Yr ended 30.09.08 S\$'000	1st Half Yr ended 30.09.07 S\$'000
Cash flow from operating activities				
Loss from continuing operations before taxation	(2,713)	(2,803)	(5,973)	(3,997)
Loss from discontinued operations	(9)	(158)	(18)	(198)
Adjustments for:				
Depreciation of property, plant and equipment	21	15	42	31
Share-based payment	1,087	1,660	2,410	1,660
Impairment loss on non-current assets held-for-sale	-	119	-	119
Provision for warranty and defects	-	1	-	1
Interest expense	32	74	63	149
Interest income	-	(33)	(1)	(47)
Share of loss of an associated company	751	153	1,398	317
Operating loss before reinvestment in working capital	(831)	(972)	(2,079)	(1,965)
Decrease/(Increase) in receivables	107	(31)	98	80
Increase in prepayments	(104)	(26)	(112)	(171)
Increase/(decrease) in payables	805	(381)	754	(733)
Increase in amount due from associated companies	(12)	(198)	(397)	(240)
Increase/(decrease) in amount owing to related parties	83	12	158	(41)
Cash used in operations	48	(1,596)	(1,578)	(3,070)
Interest received	-	33	1	47
Interest paid	(32)	(74)	(63)	(149)
Income taxes paid	-	-	(36)	-
Net cash used in operating activities	16	(1,637)	(1,676)	(3,172)
Cash flow from investing activities				
Purchase of property, plant and equipment	-	(14)	(1)	(20)
Net cash used in investing activities	-	(14)	(1)	(20)
Cash flow from financing activities				
Capital contributed by minority shareholder of subsidiary	-	6	-	6
Payments made to bankers and financial institutions	-	-	-	-
Payment made to hire purchase creditors	(5)	(4)	(9)	(7)
Issuance of new shares - Share Placement	-	6,526	-	6,526
Warrants conversions	-	-	-	961
Net cash (used in) / generated from financing activities	(5)	6,528	(9)	7,486
Net increase in cash and cash equivalents	11	4,877	(1,686)	4,294
Cash and cash equivalents at beginning of the period	(899)	(1,021)	796	(444)
Effect of exchange differences on opening cash	(2)	(8)	-	(2)
Cash and cash equivalents at end of the period	(890)	3,848	(890)	3,848
Cash and cash equivalents comprise the following:-				
Cash at bank and in hand			162	973
Bank overdraft			(1,798)	(3,651)
Fixed deposits			700	6,526
			(936)	3,848

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2008

Changes in equity - Group (S\$'000)	Attributable to equity holders of the Company				Minority Interest	Total Equity	
	Share Capital	Accum. Losses	Fair Value Reserve	Translation Reserve			
As at 1 July 2008	125,445	(109,601)	(639)	34	15,239	4	15,243
Foreign currency translation differences	-	-	-	(2)	(2)	-	(2)
Net fair value changes on available-for-sale financial assets	-	-	81	-	81	-	81
Net income and expenses recognised directly in equity	-	-	81	(2)	79	-	79
Net loss for the 2nd quarter	-	(2,711)	-	-	(2,711)	-	(2,711)
Total recognised income and expenses for the 2nd quarter	-	(2,711)	81	(2)	(2,632)	-	(2,632)
Issue of new ordinary shares	1,041	-	-	-	1,041	-	1,041
Capital reduction	(105,170)	105,170	-	-	-	-	-
As at 30 Sep 2008	21,316	(7,142)	(558)	32	13,648	4	13,648
As at 1 July 2007	115,840	(98,698)	(462)	43	16,723	-	16,723
Foreign currency translation differences	-	-	-	(9)	(9)	-	(9)
Net fair value changes on available-for-sale financial assets	-	-	(18)	-	(18)	-	(18)
Net expenses recognised directly in equity	-	-	(18)	(9)	(27)	-	(27)
Net loss for the 2nd quarter	-	(2,962)	-	-	(2,962)	-	(2,962)
Total recognised income and expenses for the 2nd quarter	-	(2,962)	(18)	(9)	(2,989)	-	(2,989)
Issue of new ordinary shares	8,187	-	-	-	8,187	-	8,187
Minority interest's capital contribution in a subsidiary	-	-	-	-	-	6	6
As at 30 Sep 2007	124,027	(101,660)	(480)	34	21,921	6	21,927

Changes in equity Company (S\$'000)	Attributable to equity holders of the Company			Total
	Share Capital	Accum. Losses	Fair Value Reserve	
As at 1 July 2008	125,445	(107,089)	(639)	17,717
Net fair value changes on available-for-sale financial assets	-	-	81	81
Net income recognised directly in equity	-	-	81	81
Net loss for the 2nd quarter	-	(1,409)	-	(1,409)
Total recognised income and expenses for the 2nd quarter	-	(1,409)	81	(1,328)
Issue of new ordinary shares	1,041	-	-	1,041
Capital reduction	(105,170)	105,170	-	-
As at 30 Sep 2008	21,316	(3,328)	(558)	17,430
As at 1 July 2007	115,840	(97,946)	(462)	17,432
Net fair value changes on available-for-sale financial assets	-	-	(18)	(18)
Net expense recognised directly in equity	-	-	(18)	(18)
Net loss for the 2nd quarter	-	(2,259)	-	(2,259)
Total recognised income and expenses for the 2nd quarter	-	(2,259)	(18)	(2,277)
Issue of new ordinary shares	8,187	-	-	8,187
As at 30 Sep 2007	124,027	(100,205)	(480)	23,342

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 the Employee Share Award

	3 months ended 30 Sep 2008	3 months ended 30 Sep 2007
Balance at 1 July	9,602,000	-
Shares granted during the period	32,818,000	38,016,000
Shares issued during the period	(30,975,500)	(15,815,000)
Balance at 30 September	11,444,500	22,201,000

Warrants

	3 months ended 30 Sep 2008	3 months ended 30 Sep 2007
Balance at 1 July	166,084,027	167,984,027
Converted during the period	-	-
Balance at 30 September	166,084,027	167,984,027

Number of ordinary shares

	3 months ended 30 Sep 2008	3 months ended 30 Sep 2007
Balance at 1 July	1,353,642,620	1,288,328,620
Placement of shares	-	35,000,000
Employee Share Awards	30,975,500	15,815,000.00
Balance at 30 September	1,384,618,120	1,339,143,620

For the 2nd quarter ended 30 September 2008, 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.

There are no treasury shares in issue.

1d(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 September 2008 was 1,384,618,120 (31 March 2008, 1,341,043,620).

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

	2nd Qtr ended 30.09.08 Cents	2nd Qtr ended 30.09.07 Cents	1st Half Yr ended 30.09.08 Cents	1st Half Yr ended 30.09.07 Cents
Basic loss per ordinary share :				
(i) Based on net loss from continuing operations	(0.20)	(0.22)	(0.44)	(0.30)
(ii) Based on net loss from discontinued operations	-	(0.01)	-	(0.02)

The computation of basic loss per ordinary share is based on weighted average number of shares of 1,363,414,802. (30 Sep 2007: 1,315,528,052 shares)

	2nd Qtr ended 30.09.08 Cents	2nd Qtr ended 30.09.07 Cents	1st Half Yr ended 30.09.08 Cents	1st Half Yr ended 30.09.07 Cents
Diluted loss per ordinary share :				
(i) Based on net loss from continuing operations	(0.20)	(0.20)	(0.44)	(0.28)
(ii) Based on net loss from discontinued operations	-	(0.01)	-	(0.01)

The computation of diluted loss per ordinary share is based on weighted average number of shares of 1,363,414,802. (30 Sep 2007: 1,443,230,087 shares)

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

	Group		Company	
	As at 30 Sep 2008	As at 31 Mar 2008	As at 30 Sep 2008	As at 31 Mar 2008

Net asset value per ordinary share (cents) 0.99 1.29 1.26 1.38

Net asset value per ordinary share for the Group and Company is based on 1,384,618,120 (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. 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.

In 2Q FY 2009, the Group registered a slightly higher revenue of S\$0.309 million as compared to S\$0.288 million in 2Q FY 2008. The 2nd quarter's loss of S\$2.711 million was not significantly different from the S\$2.962 million for the same period last year.

For 1H FY 2009, the Group registered a higher loss of S\$6.016 million on a revenue of S\$0.320 million, as compared to a loss of S\$4.198 million and revenue of S\$0.440 million for the same period last year.

Revenue from construction was not significant as most of the outstanding construction projects have been completed and revenue from the investment into new biofuel and related activities is still being developed.

The losses were mainly due to the level of staff costs and other operating expenses incurred which is not covered by revenue while sources of revenue are being developed. In addition, the share of losses of the associated company has arisen while the volume of production has been less than full capacity but the plant is now fully staffed for production.

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

Not applicable

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.

On 8 October 2008, Lereo Bio-Chem Ltd (LBC) announced the completion of subscription for 20 million new ordinary shares at 5 cents per share by Veilmillion Ltd for a total sum of one million dollars.

Commodities prices have declined significantly over the last few months. Crude palm oil price has declined from the height of RM4,000 level in March 2008 to below RM1,500 level now. This leads to revival of biofuel production. In addition, the price of winterised biodiesel produced by our associated company, LSB, is pegged more to rapeseed price in Europe. Hence, the selling price of our winterised biodiesel is less affected than the normal biodiesel price. Accordingly, this is expected to have a favourable impact on production of winterised biodiesel.

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 for the second quarter.

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 transaction conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	2Q09 S\$'000	2Q09 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

13 November 2008

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 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 second quarter and half year ended 30 September 2008 unaudited financial results 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