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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	13-Jul-2009 19:04:20
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Announcement Title *

Description

Attachments

 LBC_NOTCE_OF_AGM_2009.pdf

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LERENO BIO-CHEM LTD

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at National Library Building, Level 5, Imagination Room, 100 Victoria Street, Singapore 188064 on Thursday, 30 July 2009 at 11.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

- To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2009 and the Directors' Report and the Auditors' Report thereon. (Resolution 1)
- To re-elect Mr Ong Choon Lui, a Director retiring pursuant to Article 95 of the Company's Articles of Association. (Resolution 2)
- To re-elect Mr Peter John Farrar, a Director retiring pursuant to Article 95 of the Company's Articles of Association. (Resolution 3)
Mr Peter John Farrar will, upon re-election as a Director of the Company, continue as Chairman of the Audit Committee. He will be considered independent for the purposes of Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as a member of the Nominating Committee.
- To re-elect Mr Yap Boh Pin, a Director retiring pursuant to Article 95 of the Company's Articles of Association. (Resolution 4)
Mr Yap Boh Pin will, upon re-election as a Director of the Company, continue as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as Chairman of the Nominating Committee.
- To approve the Directors' fees of S\$81,600 for the financial year ended 31 March 2009. (2008: S\$102,000) (Resolution 5)
- To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

7. Renewal of the Shareholders' Mandate for Interested Person Transactions

- (a) That approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Appendix to this Notice of Annual General Meeting (the "Appendix"), with any party who falls within the classes of Interested Persons as described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in the Appendix (the "IPT Mandate");
- (b) That the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier;
- (c) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." (See Explanatory Note) (Resolution 7)

8. Renewal of Leren Bio-Chem Ltd Restricted Share Scheme ("THE LBC RSS") and Leren Bio-Chem Ltd Performance Share Scheme ("THE LBC PSS")

"That authority be and is hereby given to the Directors of the Company to grant awards and to issue and allot shares under the LBC RSS and the LBC PSS ("the Schemes") established by the Company from time to time and in accordance with the terms and conditions of the Schemes provided always that the aggregate number of shares to be allotted and issued pursuant to the Schemes collectively shall not exceed 15% of the Company's issued share capital on the day preceding the relevant date of award of the shares subject to the following:

- the aggregate number of shares available to eligible controlling shareholders and their associates under each of the Schemes shall not exceed 25% of the shares available under each of the Schemes which may be issued by the Company, and
- the aggregate number of shares to be issued to any one controlling shareholder or his associate under each of the Schemes shall not exceed 10% of the total number of shares which may be issued by the Company under each of the Schemes." (See Explanatory Note) (Resolution 8)

9. Proposed New Share Issue Mandate

"That pursuant to Section 161 of the Companies Act, Chapter 50 and the Rules of Catalyst of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit to:-

- issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
 - make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any instrument made or granted by the Directors while this resolution was in force, provided that:
- the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 50% of the total number of issued Shares excluding treasury shares, and for the purpose of determining the aggregate number of Shares and Instruments that may be issued under this resolution, the percentage of the total number of issued Shares excluding treasury shares shall be based on the Company's total number of issued Shares excluding treasury shares at the time this resolution is passed, after adjusting for:
 - new Shares arising from the conversion or exercise of any convertible securities;
 - new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time this resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalyst of the SGX-ST; and
 - any subsequent bonus issue, consolidation or subdivision of Shares;
 - in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Rules of Catalyst of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST or the Sponsor) and the Articles of Association for the time being of the Company; and
 - such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and
- (c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above." (Resolution 9)

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Foo Soon Soo
Seng Suet Shee
Joint Company Secretaries
14 July 2009, Singapore

Explanatory Notes:-

- The ordinary resolution in item 7 relates to the renewal of a mandate given by Shareholders on 28 July 2008 allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. Please refer to the Appendix to this Notice of Annual General Meeting for details.
- The ordinary resolution in item 8, if passed, will empower the Directors of the Company to grant awards and to issue and allot shares in the capital of the Company pursuant to the Leren Bio-Chem Ltd Restricted Share Scheme and the Leren Bio-Chem Ltd Performance Share Scheme, collectively called ("the Schemes") up to an amount in aggregate not exceeding 15% of the issued share capital of the Company.
- The ordinary resolution in item 9, if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the total number of issued Shares excluding treasury shares of the Company, of which the total number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued Shares excluding treasury shares of the Company, at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. Rule 806(2)(a) of the Rules of Catalyst currently provides that for the purpose of determining the aggregate number of Shares and Instruments that may be issued under this resolution, the percentage of the total number of issued Shares excluding treasury shares shall be based on the Company's total number of issued Shares excluding treasury shares at the time this resolution is passed, after adjusting for new Shares arising from the conversion of convertible securities or exercise of share options or vesting of share awards outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's Shares. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

DIRECTORS' RECOMMENDATION

The Directors are all eligible to participate in, and are therefore interested in the LBC PSS and/or LBC RSS. They have accordingly abstained from making any recommendation on, and in the case of Directors who are Controlling Shareholders, shall abstain from voting in respect of Resolution 8.

Each Director shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the said Resolution 8 unless specific instructions have been given in the Proxy Form on how the Shareholders wish for their votes to be cast in respect of the said Resolution.

ABSTENTION FROM VOTING

Pursuant to Rule 853 of the Listing Manual of the Singapore Exchange Securities Trading Limited, Shareholders who are eligible to participate in the LBC RSS and LBC PSS should abstain from voting on resolution 8, and should not accept nominations as proxies unless specific instructions have been given in the proxy instrument by the Independent Shareholders appointing them on how they wish their votes to be cast for resolution 8.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Notice are fair and accurate in all material respects and there are no material facts the omission of which would make any statement in this Notice misleading in any material respect.

SGX-ST DISCLAIMER

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the SGX-ST. Collins Stewart Pte. Limited has not independently verified the contents of this Notice. This Notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02, Singapore 068896, Telephone (65) 6854 6160.

Notes:

- A member of the Company entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy in his stead.
- A proxy need not be a member of the Company.
- If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- 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 not later than 48 hours before the time appointed for the Meeting.

14 July 2009

This Appendix is circulated to the Shareholders of Lereno Bio-Chem Ltd (the “**Company**”) together with the Company’s Annual Report for the financial year ended 31 March 2009. Its purpose is to provide information to the Shareholders in relation to the proposed renewal of the Shareholders’ Mandate to be tabled at the Annual General Meeting of the Company to be held on 30 July 2009 at 11.30 a.m. at National Library Building, Level 5, Imagination Room, 100 Victoria Street, Singapore 188064.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Company’s Annual Report.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, please forward this Appendix, the Notice of Annual General Meeting and the Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the SGX-ST. Collins Stewart Pte. Limited has not independently verified the contents of this Appendix. This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, Telephone (65) 6854 6160.

LERENO BC

Investing for the Next Generation

能源生化有限公司

LERENO BIO-CHEM LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197401961C)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

DATED 14 JULY 2009

IN RELATION TO

THE PROPOSED RENEWAL OF

THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

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DEFINITIONS

The following definitions apply throughout this Appendix unless otherwise stated or the context otherwise requires:

“Act” :	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
“AGM” :	The Annual General Meeting of the Company to be held on 30 July 2009, notice of which is set out in the Company’s Annual Report despatched together with this Appendix
“Annual Report” :	The annual report of the Company for the financial year ended 31 March 2009
“Appendix” :	This appendix dated 14 July 2009
“Audit Committee” :	The audit committee of the Company for the time being
“BKCB” :	Bintai Kinden Corporation Berhad, a public company incorporated in Malaysia and listed on the Kuala Lumpur Stock Exchange
“BKCB Group” :	BKCB and its subsidiaries
“BKS” :	Bintai Kindenko Private Limited
“Board” :	The board of Directors of the Company
“BTH” :	Bin Tai Holdings Private Limited
“BTHM” :	Bintai Holdings (M) Sdn Bhd
“CDP” :	The Central Depository (Pte) Limited
“Company” or “LBC” :	Lereno Bio-Chem Ltd
“control” :	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder” :	In relation to a listed company, a person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company (unless the SGX-ST has determined such a person not to be Controlling Shareholder of the company); or (b) in fact exercises control over the company, or such other definition as the SGX-ST may from time to time determine
“Directors” :	The directors of the Company as at the date of this Appendix
“Fortuna” :	Fortuna Development Private Limited

DEFINITIONS

“FY” :	Financial year ended 31 March
“Interested Persons” :	Shall have the meaning as ascribed thereto in paragraph 3.3 of this Appendix
“Interested Person Transactions”:	Any transaction(s) entered or to be entered into with the Interested Persons by any company in the LBC Group as set out in paragraph 3.5 of this Appendix
“KBK” :	Kejuruteraan Bintai Kindenko Sdn Bhd
“Latest Practicable Date” :	6 July 2009, being the latest practicable date prior to the printing of this Appendix
“LBC Group” :	LBC and its subsidiaries
“Listing Manual” :	The Catalist listing manual of the SGX-ST, as amended or modified from time to time
“M&E” :	Mechanical and electrical engineering
“NTA” :	Net tangible assets
“OCL” :	Ong Choon Lui
“OPK” :	Ong Puay Koon
“SGX-Catalist” :	The SGX-ST Catalist Board
“SGX-ST” :	Singapore Exchange Securities Trading Limited
“Shareholders” :	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “ <i>Shareholders</i> ” shall, in relation to such Shares and where the context admits, means the Depositors who have Shares entered against their names in the Depository Register
“Shareholders’ Mandate” :	Shall have the meaning as ascribed thereto in paragraph 1 of this Appendix
“Shares” :	Ordinary shares in the capital of the Company
“Sun” :	Sun Continental Investment & Trading Pte. Ltd.
“S\$” and “cents” :	Singapore dollars and cents, respectively
“%” or “per cent” :	Per centum or percentage

The terms “*Depositor*”, “*Depository Register*” and “*Depository Agent*” shall have the meanings ascribed to them respectively in Section 130A of the Act.

DEFINITIONS

The term “*subsidiary*” shall have the meaning ascribed to it by Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Act, the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

LERENO BIO-CHEM LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197401961C)

Directors

Tan Sri Dato' Kamaruzzaman Bin Shariff
(Non-Executive Chairman)
Ong Puay Koon
(Managing Director and Chief Executive Officer)
Ong Choon Lui
Goh Yeow Tin
Jiro Suzuki
Kong Mun Kwong
Peter John Farrar
Wong Heang Fine
Yap Boh Pin

Registered Office

149 Rochor Road #05-13/15
Fu Lu Shou Complex
Singapore 188425

14 July 2009

To: The Shareholders of Lereno Bio-Chem Ltd

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

We refer to the Notice of Annual General Meeting ("**AGM**") of Lereno Bio-Chem Ltd ("**LBC**" or the "**Company**") issued by the Company on 14 July 2009.

Pursuant to Chapter 9 of the Listing Manual ("**Chapter 9**"), the general mandate ("**Shareholders' Mandate**") in relation to certain interested person transactions, which was adopted at the AGM held on 28 July 2008, will continue in force until the forthcoming AGM. Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the forthcoming AGM to be held on 30 July 2009, to take effect until the next AGM to be held in year 2010.

The purpose of this Appendix, circulated to Shareholders together with the Annual Report, is to provide Shareholders with information relating to, and to seek Shareholders' approval at the AGM to renew the Shareholders' Mandate that will enable the LBC Group to enter into transactions with the Interested Persons (as defined below) in compliance with Chapter 9.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

LETTER TO SHAREHOLDERS

2. CHAPTER 9 OF THE LISTING MANUAL

2.1 General information

When Chapter 9 applies to a transaction with an interested person (except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from certain requirements of Chapter 9) and the value of the transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated NTA¹), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, 3% of the listed company's latest audited consolidated NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the listed company's latest audited consolidated NTA; and

shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, 5% of the listed company's latest audited consolidated NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the listed company's latest audited consolidated NTA. However, a transaction that has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature, or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. Such a general mandate is subject to annual renewal.

2.2 Main terms used in Chapter 9

For the purposes of Chapter 9:

- (a) an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;
- (b) an **"associate"** means:
 - (i) in relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual):

¹ Based on the latest audited consolidated accounts of the Company for the financial year ended 31 March 2009, the audited NTA of the LBC Group was approximately S\$11.253 million.

LETTER TO SHAREHOLDERS

1. his immediate family member;
 2. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 3. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (ii) in relation to a substantial shareholder or Controlling Shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
- (c) an **“entity at risk”** means:
- (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the issuer and/or its subsidiaries (the “listed group”), or the listed group and its interested person(s), has control over the associated company;
- (d) an **“interested person”** means:
- (i) a director, chief executive officer or Controlling Shareholder of the issuer; or
 - (ii) an associate of any such director, chief executive officer or Controlling Shareholder;
- (e) a **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities); and
- (f) an **“interested person transaction”** means a transaction between an entity at risk and an interested person.

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 Overview of the LBC Group

The principal activities of the LBC Group are those of biofuel and related business, electrical and mechanical engineering consultants and contractors and investment holding. The above services and/or process engineering services may be provided to the interested persons as defined in paragraph 3.3 below.

3.2 Overview of BKCB Group

BKCB is a public company incorporated in Malaysia and was listed on the Kuala Lumpur Stock Exchange in 1998. The BKCB Group are principally engaged in the business of the provision of specialised services in mechanical and electrical works, construction of power plants and transmission lines, property investment and development and undertaking of turnkey construction projects.

LETTER TO SHAREHOLDERS

3.3 Classes of Interested Persons

The classes of interested persons covered under the current Shareholders' Mandate are:

- (1) the BKCB Group;
- (2) Sun, which is a company in which OPK and his immediate family member(s) together have an interest of more than 30%; and
- (3) Fortuna, which is a company wholly-owned by OPK's immediate family members (including OCL)

(collectively, the "**Interested Persons**").

As at the Latest Practicable Date, OPK, a Controlling Shareholder and Director of the Company, is also a substantial shareholder and director of BKCB and Sun. OPK has a 23.89% interest (direct and deemed) in the issued share capital of BKCB.

As at the Latest Practicable Date, OCL, a Director of the Company, is also a director of BKCB and Fortuna. OCL is the son of OPK.

3.4 Scope of the Shareholders' Mandate

The Shareholders' Mandate when renewed will cover a range of transactions arising in the ordinary course of business or are necessary for the day-to-day operations of the LBC Group as set out in paragraph 3.5 below. The Shareholders' Mandate will not cover any Interested Person Transaction which has a value below S\$100,000 as the threshold and aggregation requirements of Chapter 9 do not apply to such transactions. Transactions with Interested Persons which do not come within the ambit of the Shareholders' Mandate (including any subsequent renewal thereof), will be subjected to the applicable provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

3.5 Categories of Interested Person Transactions

The types of transactions with Interested Persons (as set out in paragraph 3.3 above) to which the Shareholders' Mandate applies are set out below.

3.5.1 Human Resource Transactions

From time to time, the BKCB Group may request the LBC Group to second its personnel to work on projects that have been secured by the BKCB Group for a specified period of time on a time-cost basis. Such personnel will only be seconded to the BKCB Group provided that the LBC Group can make available such personnel. Similarly, from time to time, the LBC Group may request the BKCB Group to second personnel to work on projects secured by the LBC Group on a time-cost basis. The LBC Group will only request for personnel if there is no such expertise readily available within the LBC Group. The arrangement is beneficial to the LBC Group as it will be able to utilise existing internal resources efficiently and effectively manage headcounts. It also maximises the utilisation rate and work exposure of the personnel in the LBC Group.

LETTER TO SHAREHOLDERS

3.5.2 Procurement Transactions

From time to time, the BKCB Group may request the LBC Group to purchase materials and equipment for the BKCB Group for a fee. The LBC Group also provides such services to unrelated third party suppliers. This arrangement is beneficial to the LBC Group as it will be able to earn a fee based on the invoiced amount for the provision of such services.

From time to time, the LBC Group may request the BKCB Group to purchase materials and equipment for the LBC Group for a fee based on the invoiced amount. The LBC Group will only enter into such transactions if the relevant company in the BKCB Group is able to purchase the relevant materials and equipment at a better rate than is available to the LBC Group. This arrangement is beneficial to the LBC Group as it will be able to save on the cost of the materials and equipment purchased.

3.5.3 M&E Projects/Transactions

From time to time, the LBC Group may enter into contracts or sub-contracts with any company in the BKCB Group relating to:

- (a) the supply of equipment and provision of M&E services to such company for contracts obtained by such company and/or the BKCB Group; and/or
- (b) the supply of equipment and provision of M&E services from such company for contracts obtained by the LBC Group.

Subject to the review procedures set out in paragraph 3.6 below, the LBC Group will enter into such transactions only if it is profitable and in the LBC Group's best interest to do so.

3.5.4 Rental Transactions

The LBC Group may from time to time lease properties and/or premises from the Interested Persons in the ordinary course of business of the LBC Group. As at the Latest Practicable Date, the LBC Group has entered into a lease agreement to rent the office premises at 149 Rochor Road, #05-13/14/15 Fu Lu Shou Complex, Singapore 188425 from Sun. The lease agreement will expire on 31 December 2010.

Fortuna and Sun are principally engaged in the business of investment holding. Fortuna and Sun own properties in Singapore. The leasing of office premises from Sun has and will enable the LBC Group to save on its rental costs as well as time and effort to source for alternative premises which would incur additional agency fees and other incidental expenses. The rental rate is at or below the current market rate. The LBC Group may from time to time lease storage premises from Fortuna, which will enable the LBC Group to save on its rental costs as well as time and effort to source for alternative premises which would incur additional agency fees and other incidental expenses. The proposed rental rate will be at or below the current market rate.

The LBC Group will benefit from having access to competitive quotes from the Interested Persons in addition to obtaining quotes from, or transacting with, non-interested persons.

LETTER TO SHAREHOLDERS

3.6 Review Procedures for Interested Person Transactions

3.6.1 To ensure that the Interested Person Transactions arising in the normal course of business of the LBC Group are carried out at arm's length and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, the methods and procedures below which have been established by the Company will continue to apply for the review and approval of Interested Person Transactions under the proposed renewal of the current Shareholders' Mandate:

(a) Human Resource Transactions

The amount of fees chargeable by the LBC Group will be inter alia, on a time-cost basis. In determining whether to approve the secondment or request for a secondee, a senior officer of the LBC Group (with no interest, direct or indirect and is not an interested person or an associate of an interested person) will take into consideration factors such as, but not limited to, the utilisation rate and experience of the personnel, relative cost of secondment versus hiring (to be determined by obtaining at least two quotations from unrelated third parties), the length of time of the project and the current and expected projects of the LBC Group. In the event that no quotation from unrelated third party suppliers is available, the transaction will be reviewed and approved by two senior officers of the LBC Group (with no interest, direct or indirect) after taking into consideration the above factors.

(b) Procurement Transactions

In determining the amount of fees chargeable and whether the LBC Group should enter into the transaction, a senior officer of the LBC Group (with no interest, direct or indirect) will only approve the transaction after taking into consideration factors such as, but not limited to, the availability of funds, the volume and value of the transaction, the credit worthiness of the customer and the payment terms. The fee to be derived from the transaction shall be at least comparable to the fees charged to unrelated third parties. In determining whether the LBC Group should request the relevant company in the BKCB Group to purchase materials and equipment on behalf of the LBC Group, a senior officer of the LBC Group (with no interest, direct or indirect) will only approve the transaction if the price payable is below the price quoted by at least 2 unrelated third parties. In the event that no quotation from unrelated third party suppliers is available, the transaction will be reviewed and approved by two senior officers of the LBC Group (with no interest, direct or indirect) after taking into consideration factors such as, but not limited to, delivery schedules, previous supply of services and pricing and credit terms.

(c) M&E Projects/Transactions

Where the LBC Group plans to request for the provision of equipment and M&E services from any company in the BKCB Group, a senior officer of the LBC Group (with no interest, direct or indirect) will obtain at least two quotations from unrelated third party suppliers. A senior officer of the LBC Group (with no interest, direct or indirect) will award the project after taking into consideration factors such as, but not limited to, delivery schedules, previous supply of services and pricing, credit terms, profit margins and quality and it has been determined that it would be more favourable to the LBC Group to award the project to the relevant company in the BKCB Group. In the event that no quotation from unrelated third party suppliers is available, the transaction will

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be reviewed and approved by two senior officers of the LBC Group (with no interest, direct or indirect) after taking into consideration factors such as, but not limited to, delivery schedules, previous supply of services and pricing, credit terms, profit margins and quality.

In determining whether to provide the equipment and M&E services to any company in the BKCB Group, two senior officers of the LBC Group (with no interest, direct or indirect) will take into consideration factors such as, but not limited to, the project break-even cost, the period of the contract, relevant employee's utilisation rate and the risks of entering into such a contract, taking into consideration the profit margin which can be derived if the equipment and M&E services were provided to an unrelated third party.

(d) Rental Transactions

In determining whether to approve the rental lease or the renewal of the rental lease, a senior officer of the LBC Group (with no interest, direct or indirect) will compare the rent against the market rental rates.

The lease with Fortuna or Sun, as the case may be, will only be entered into or renewed provided that the rent is the same or more favourable than market rental rate (to be determined by enquiries with at least 2 unrelated third parties). In respect to storage premises, the rent will be at or lower than their market rental rates.

3.6.2 In addition to the above review procedures, the following threshold limits will be applied:

	<u>Threshold limit (S\$'000)</u>
i. M&E Contracts/Transactions	20,000 per contract/transaction
ii. Rental Transactions	500 per annum

Where the LBC Group's proportionate share in a transaction with an Interested Person exceeds any of the relevant threshold limits set out above, such transactions must be reviewed and approved by the Audit Committee prior to entering into such transaction. Where the LBC Group's proportionate share in a transaction is equal to or below any of the relevant threshold limits set out above, such transaction need not have the prior approval of the Audit Committee, but shall be reviewed by the Audit Committee in accordance to the procedures set out in paragraph 3.6.3.

3.6.3 Each Interested Person Transaction will be properly documented and a summary submitted to the Audit Committee who will review such transactions on a quarterly basis to ensure that they have been carried out at arm's length and on normal commercial terms, that the terms of such transactions are consistent with the LBC Group's business practices and policies and that the established review procedures have been complied with.

3.6.4 If any member of the Audit Committee has an interest in the Interested Person Transactions to be reviewed, such member will abstain from any decision-making in respect of that transaction and the review and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

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3.7 Rationale for the Renewal of the Shareholders' Mandate and Benefits of the Shareholders' Mandate

It is anticipated that the LBC Group will, in the ordinary course of business, enter into Interested Person Transactions with the Interested Persons. It is likely that such Interested Person Transactions will occur with some degree of frequency and may arise at any time. The Interested Person Transactions may be constrained by their time-sensitive and confidential nature, and therefore, it may not be practical for the Company to seek the approval of the Shareholders on a case-by-case basis before entering into each Interested Person Transaction. In addition, the renewal of the Shareholders' Mandate will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when such Interested Person Transactions with the Interested Persons arise. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives, but without compromising the corporate management of the LBC Group. This will also enable the LBC Group to maximise its business opportunities especially in commercial transactions that are time-sensitive in nature.

3.8 Expiry and Renewal of the Shareholders' Mandate

If approved by the Shareholders at the forthcoming AGM, the renewed Shareholders' Mandate will take effect from the passing of Resolution 7, and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting of the Company to be held in year 2010.

Approval from the Shareholders will be sought for the renewal of the Shareholders' Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to review by the Audit Committee of its continued application to transactions with the Interested Persons.

If the Audit Committee is of the view that the review procedures under the Shareholders' Mandate are no longer adequate or appropriate to ensure that the Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, it will in consultation with the Board take such action as it deems proper in respect of such methods and/or procedures and/or modify or implement such methods and/or procedures as may be necessary and direct the Company to seek a fresh mandate from the Shareholders based on new review methods and/or procedures for transactions with Interested Persons.

3.9 Disclosure in Financial Statements and Annual Report

In accordance with Chapter 9, (a) the Company will disclose in its annual report the aggregate value of the transactions conducted with Interested Persons under the Shareholders' Mandate during the current financial year (as well as in the annual reports for subsequent financial years that the Shareholders' Mandate continues to be in force), and (b) the Company will announce the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate for the financial periods which it is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report. Such disclosure will be in the form prescribed in the Listing Manual.

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4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors' Interests in Shares

As at the Latest Practicable Date, the direct and deemed interests of the Directors in the Shares based on the information recorded in the Register of Directors' Shareholdings of the Company are as follows:

Directors	Number of Shares					
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Total Interest	% ⁽¹⁾
Tan Sri Dato' Kamaruzzaman Bin Shariff	932,000	0.07	-	-	932,000	0.07
Ong Puay Koon	145,099,814	10.26	170,541,890 ⁽²⁾	12.06	315,641,704	22.32
Ong Choon Lui	2,273,000	0.16	-	-	2,273,000	0.16
Goh Yeow Tin	411,000	0.03	-	-	411,000	0.03
Jiro Suzuki	444,000	0.03	-	-	444,000	0.03
Kong Mun Kwong	28,837,000	2.04	-	-	28,837,000	2.04
Peter John Farrar	477,000	0.03	-	-	477,000	0.03
Wong Heang Fine	1,129,000	0.08	20,000 ⁽³⁾	0.001	1,149,000	0.08
Yap Boh Pin	1,414,000	0.10	-	-	1,414,000	0.10

4.2 Substantial Shareholders' Interests in Shares

As at the Latest Practicable Date, the direct and deemed interests of the Substantial Shareholders in the Shares based on the information recorded in the Register of Substantial Shareholders of the Company are as follows:

Substantial Shareholders	Number of Shares					
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Total Interest	% ⁽¹⁾
Ong Puay Koon	145,099,814	10.26	170,541,890 ⁽²⁾	12.06	315,641,704	22.32
Bin Tai Holdings Private Limited ⁽⁴⁾	122,317,000	8.65	-	-	122,317,000	8.65
Spektra Anggun Sdn Bhd	230,265,000	16.29	-	-	230,265,000	16.29

Notes:

- (1) Based on 1,413,620,120 issued Shares as at the Latest Practicable Date.
- (2) Deemed interested in the 122,317,000 Shares held by Bin Tai Holdings Private Limited and 48,224,890 Shares held by Bintai Kinden Corporation Berhad.
- (3) Deemed interested in the 20,000 Shares held by spouse of Wong Heang Fine.
- (4) Ong Puay Koon is deemed to have an interest in more than 50% of the issued share capital of BTH.

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4.3 Abstention from Voting

Rule 919 of the Listing Manual provides that interested persons and their associates must not vote on any shareholders' resolution approving any mandate or renewal thereof in respect of any interested person transactions. Both OPK and OCL will abstain and has undertaken to ensure that their respective associates will abstain, from voting at the forthcoming AGM in respect of the Shares held by them respectively on Resolution 7 relating to the proposed renewal of the Shareholders' Mandate.

5. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee of the Company (currently comprising Messrs Peter John Farrar, Wong Heang Fine and Yap Boh Pin) having considered, inter alia, the terms of the Shareholders' Mandate and the review methods and procedures for the Interested Person Transactions, confirms that:

- (i) the review methods and procedures for determining the transaction prices of the Interested Person Transactions conducted under the Shareholders' Mandate have not changed since the last shareholders' approval at the AGM on 28 July 2008; and
- (ii) the review methods and procedures set out in paragraph 3.6 of this Appendix are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report, will be held on 30 July 2009 at 11.30 a.m. at National Library Building, Level 5, Imagination Room, 100 Victoria Street, Singapore 188064 for the purpose of considering and, if thought fit, passing with or without modifications, Resolution 7 relating to the renewal of, the Shareholders' Mandate at the AGM as set out in the Notice of AGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the time fixed for the holding of the AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form enclosed with the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 149 Rochor Road, #05-13/15 Fu Lu Shou Complex, Singapore 188425 not later than forty-eight (48) hours before the time fixed for the holding of the AGM. Completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting at the AGM if he so wishes.

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8. DIRECTORS' RECOMMENDATIONS

Save for OPK and OCL who have refrained from making any recommendation, the Directors are of the view that it would be beneficial to and in the interests of the Company that it and its subsidiaries be permitted to have the flexibility to enter into the types of transactions described in paragraph 3.5 above in their ordinary course of business with the classes of Interested Persons described in paragraph 3.3 above for the reasons stated in this Appendix. Accordingly, such Directors recommend that Shareholders vote in favour of Resolution 7 relating to the proposed renewal of the Shareholders' Mandate at the AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Appendix are fair and accurate in all material respects as at the date of this Appendix and there are no other material facts the omission of which would make any statement in this Appendix misleading.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected by the Shareholders at the registered office of the Company during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report of the Company for the financial year ended 31 March 2009.

Yours faithfully
for and on behalf of the Board of Directors
of **LERENO BIO-CHEM LTD**

Ong Puay Koon
Managing Director and Chief Executive Officer