

PROPOSED CHANGE OF AUDITORS

The board of directors (the "**Board**") of Lereno Bio-Chem Ltd. ("**LBC**" or the "**Company**") wishes to announce that after a review of professional fees incurred by the Company which was carried out as part of a comprehensive review of the Company's cost structure, the Board is proposing to appoint Foo Kon Tan Grant Thornton LLP, Certified Public Accountants, as the Company's auditors in place of Ernst & Young LLP ("**EY**") (the "**Proposed Change of Auditors**").

The Board (in consultation with the Audit Committee), having considered the fee structure, size and complexity of the Group's operations, the adequacy of the resources and the experience of Foo Kon Tan Grant Thornton LLP, the number and experience of the supervisory and professional staff to be assigned to the audit of the financial statements of the Company as well as Foo Kon Tan Grant Thornton LLP's proposed audit arrangements for the Company, is of the opinion that Foo Kon Tan Grant Thornton LLP will be able to meet the audit requirements of the Company and that Rule 712 of the Listing Manual has been complied with upon obtaining of LBC shareholders' approval.

In this regard, EY has on 22 February 2010, given notice to the Board of their resignation as auditors of the Company. For purposes of Rule 712(2) of the Listing Manual:

- (a) EY has confirmed, by way of their letter dated 24 February 2010, that they are not aware of any professional reasons why Messrs Foo Kon Tan Grant Thornton LLP, being the proposed new auditors should not accept appointment as auditors of the Company;
- (b) the Board confirms that there were no disagreements with EY on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Board confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of LBC's shareholders which has not been disclosed in this announcement; and
- (d) the Board confirms that the reason for the Proposed Change of Auditors is to achieve a more cost-effective audit of the Group and its associated company, and is not due to any dismissals of EY, or due to EY declining to stand for election.

Messrs Foo Kon Tan Grant Thornton LLP, has, on 24 February 2010, given their consent to act as auditors of the Company, subject to LBC's shareholders' approval at an extraordinary general meeting of the Company ("**EGM**") to appoint Foo Kon Tan Grant Thornton LLP in place of EY. Pursuant to Section 205(15) of the Companies Act, the resignation of EY shall only take effect upon the appointment of another auditor at a general meeting to be convened for this purpose. The appointment of Messrs Foo Kon Tan Grant Thornton LLP for the financial year ended 31 March 2010 would therefore take effect upon approval of LBC's shareholders being obtained at the EGM for the Proposed Change of Auditors.

A circular to shareholders together with a notice of EGM will be despatched to LBC's shareholders in due course.

By Order of the Board of Directors
Lereno Bio-Chem Ltd

Ong Puay Koon
Managing Director and Chief Executive Officer
24 February 2010

This announcement 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 announcement. This announcement has not been examined or approved by the SGX-ST 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.

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