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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
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>> Announcement Details

The details of the announcement start here ...

Announcement Title * Adjustment To The Exercise Price And/Or The Number Of Warrants Outstanding Pursuant To The Proposed Rights Issue

Description See attached.

Attachments
 LBC_Adjustment_To_Warrants.pdf
 Total size = **151K**
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**ADJUSTMENT TO THE EXERCISE PRICE AND/OR THE NUMBER OF WARRANTS
OUTSTANDING PURSUANT TO THE PROPOSED RIGHTS ISSUE**

1. INTRODUCTION

The Board of Directors (the "**Directors**") of Lereno Bio-Chem Ltd. (the "**Company**") refers to the announcements dated 9 November 2009, 17 December 2009, 12 February 2010 and 18 March 2010 in relation to the Rights Issue (the "**Announcements**").

Unless otherwise defined herein, all capitalised terms used herein shall bear the meanings ascribed to them in the Announcements.

2. ADJUSTMENT OF WARRANTS

Pursuant to Rule 830 of the Listing Manual Section B: Rules of Catalist and the Deed Poll dated 4 July 2006 (the "**2006 Deed Poll**"), the Company is required to make adjustments to the Existing Warrants as a result of the Rights Issue. Taking into account the conditions set out in the 2006 Deed Poll, pursuant to the formula set out in condition 4(d)(ii)(b) of the 2006 Deed Poll:

- (i) the Existing Warrants will be adjusted by applying a ratio of 1.3913 to the number of Existing Warrants held by each holder of the Existing Warrants ("**Existing Warrantholder**") and thereafter rounded down to the nearest whole number, to arrive at the total adjusted number of Existing Warrants to be held by an Existing Warrantholder after the Rights Issue; and
- (ii) the exercise price of the Existing Warrants will be adjusted to \$0.04,

(the "**Adjustments**").

The Company has obtained a certificate from Foo Kon Tan Grant Thornton LLP (the "**Auditors**") in respect of the Adjustments. A signed copy of the Auditors' certificate and a certificate signed by a Director setting forth brief particulars of the events giving rise to the Adjustments and other relevant details is available for inspection at the office of the warrant agent, KCK Corpserve Pte. Ltd. ("**Warrant Agent**"), at 333 North Bridge Road, #08-00 KH Kea Building, Singapore 188721. An Existing Warrantholder may also request that a copy of such certificates be sent to him. The Directors are of the opinion that it was not necessary to consult an Approved Bank (as defined in the 2006 Deed Poll) as the certification of the Auditors in relation to the Adjustments is sufficient.

3. FURTHER DETAILS

Condition 4(d)(ii)(b) of the 2006 Deed Poll states that if and whenever the Company shall make any offer or invitation to its Shareholders by way of rights whereunder they may acquire or subscribe for Shares, then the exercise price of each Existing Warrant shall be adjusted in the following manner:-

$$\text{New exercise price} = \frac{(C-D)}{C} \times X$$

and the number of Existing Warrants held by each Existing Warrantholder shall be adjusted in the following manner:-

$$\text{Adjusted number of Existing Warrants} = \frac{C}{(C - D)} \times W$$

where:-

X = existing exercise price of the Existing Warrants, being \$0.05

W = existing number of Existing Warrants held

C = the Current Market Price (as defined below) of each Share on the Market Day (being a day on which the SGX-ST is open for trading) immediately preceding the date on which any offer or invitation is announced publicly or (failing such announcement) immediately preceding the date of the offer or invitation

D = the value of rights attributable to one Share, which shall be calculated in accordance with the following formula:-

$$\frac{C - E}{F + 1}$$

where:-

C = as in C above

E = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation;

F = the number of Share(s) which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share

"Current Market Price" in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest \$0.01 per Share) of Shares quoted on Catalist for the five consecutive Market Days (on each of which trading of the Shares on Catalist has been transacted) immediately preceding the Market Day or, if the Company so decides, the last dealt price of Shares quoted on Catalist for the Market Day (on which trading of the Shares on Catalist has been transacted) immediately preceding that Market Day.

Applying the formula for the new exercise price:-

$$\frac{(C - D)}{C} \times X = \frac{(0.02 - 0.005625)}{0.02} \times 0.05 = 0.04$$

Pursuant to condition 4(e) of the 2006 Deed Poll, any adjustment to the exercise price will be rounded upwards to the nearest one cent and, subject as hereafter provided, in no event shall any adjustment (otherwise than provided for re-adjustment in condition 4(f) of the 2006 Deed Poll) involve an increase in the exercise price. No adjustment to the exercise price shall be made unless it has been certified to be in accordance with condition 4 of the 2006 Deed Poll by the Auditors of the Company.

Applying the formula for the adjusted number of Existing Warrants:-

$$\frac{C}{(C - D)} \times W = \frac{0.02}{(0.02 - 0.005625)} \times W = 1.3913 \times W$$

Condition 4(k) of the 2006 Deed Poll states that any adjustment to the number of Existing Warrants held by each Existing Warrantholder will be rounded downwards to the nearest whole Existing Warrant. No adjustment to the number of Existing Warrants shall be made unless (i) it has been certified to be in accordance with condition 4 of the 2006 Deed Poll by the Auditors of the Company and (ii) approval in-

principle has been granted by the SGX-ST for the listing of and quotation for such additional Existing Warrants as may be issued as a result of such adjustment and such additional new Shares as may be issued on the exercise of any such Existing Warrants. Application will be made to the SGX-ST for the listing and quotation of the aforesaid.

In summary, if carried out in accordance with condition 4 of the 2006 Deed Poll, the new exercise price of the Existing Warrants shall be \$0.04 and the number of Existing Warrants will be adjusted by applying a ratio of 1.3913 to the number of Existing Warrants held by each Existing Warrantholder and thereafter, rounded down to the nearest whole number, to arrive at the adjusted number of Existing Warrants to be held by an Existing Warrantholder after the Rights Issue. For clarification, if an Existing Warrantholder holds 1,000 Existing Warrants as at the books closure date for the Adjustments (as stated below), the number of Existing Warrants after adjustment would be:-

$1,000 \times 1.3913 = 1,391$ (after being rounded down to the nearest whole number)

The Auditors have certified that the adjusted number of Existing Warrants would be 231,072,706 after the Adjustments.

4. EFFECTIVE DATE

Existing Warrantholders are to note that the Adjustments will be effective from the commencement of the Market Day (expected to be 8 April 2010, the "**Effective Date**") next following the record date for the Rights Issue, which is expected to be 7 April 2010.

5. NOTICE OF BOOKS CLOSURE DATE FOR ADJUSTMENTS

NOTICE IS HEREBY GIVEN that the Register of Warrantholders of the Company will be closed at 5.00 pm on 7 April 2010 (the "**Warrants Books Closure Date**") for the purposes of determining Existing Warrantholders' entitlements to the additional Existing Warrants to be issued arising from the Adjustments as a result of the Rights Issue. Existing Warrantholders who have validly exercised their Existing Warrants before 5.00 pm on the Warrants Books Closure Date will not be entitled to the additional Existing Warrants.

Existing Warrantholders whose Existing Warrants are registered in their own names and who wish to deposit their certificates representing their Existing Warrants with CDP must do so not later than 5.00 pm on **30 March 2010**, being five (5) Market Days prior to the Warrants Books Closure Date, in order for their securities accounts with CDP to be credited with the additional Existing Warrants.

Existing Warrantholders who have not deposited their certificates representing the Existing Warrants as aforesaid or who do not wish to deposit their certificates representing the Existing Warrants with CDP, are advised to forward all such certificates to the Warrant Agent, KCK Corpserve Pte. Ltd., at 333 North Bridge Road, #08-00 KH Kea Building, Singapore 188721, as soon as practicable for cancellation and in exchange for new certificates representing the revised number of Existing Warrants (including the additional Existing Warrants). Such new certificates representing the revised number of Existing Warrants (including the additional Existing Warrants) will be sent by ordinary post to the registered addresses of the Existing Warrantholders (and in the case of joint holders, to the first-named holder) at their own risk and expense within five (5) Market Days from the Effective Date of the Adjustments.

Existing Warrantholders whose Existing Warrants are registered in the name of CDP and/or Existing Warrantholders who have already deposited their certificates representing their Existing Warrants with CDP not later than 5.00 p.m. on **30 March 2010**, being five (5) Market Days prior to the Warrants Books Closure Date, are not required to take any action. The Company will arrange with the Warrant Agent for the delivery of certificates representing the relevant number of additional Existing

Warrants to CDP and the additional Existing Warrants will be credited to the respective securities accounts of the entitled Existing Warrantholders registered with CDP.

6. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who may have been delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

In accordance with condition 4(i) of the 2006 Deed Poll, a copy of this announcement shall be published in The Business Times tomorrow.

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

Ong Puay Koon
Managing Director and Chief Executive Officer
22 March 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.

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.