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Acquisitions and Disposals :: Discloseable Transaction :: Supplemental Deed - Proposed Acquisition Of Astam Mining Pte Ltd
* 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	24-Apr-2010 14:24:47
Announcement No.	00010

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

Announcement Title *	Supplemental Deed - Proposed Acquisition Of Astam Mining Pte Ltd
Description	See Attached.

Attachments	Supplemental_Deed_In_Relation_To_The_Proposed_Acquisition_Of_Astam_Mining_Pte_Ltd.pdf Total size = **143K** (2048K size limit recommended)

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LERENO BIO-CHEM LTD.
(Incorporated in Singapore)
(Company Registration No. 197401961C)

SUPPLEMENTAL DEED IN RELATION TO THE PROPOSED ACQUISITION OF ASTAM MINING PTE LTD

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1. INTRODUCTION

The board of directors (the "**Board**") of Lereno Bio-Chem Ltd. (the "**Company**" or "**LBC**") refers to the announcements on 4 January 2010 and 9 April 2010 (the "**Announcements**") in relation to the proposed acquisition of Astam Mining Pte Ltd. Unless otherwise defined herein, all capitalised terms used herein shall bear the meanings ascribed to them in the Announcements.

Further to the Announcements, the Board wishes to announce that the Company has entered into a supplemental deed dated 24 April 2010 (the "**Supplemental Deed**") to the Agreement dated 8 April 2010 for the acquisition by the Company of five per cent. (5%) equity interest in the issued share capital of Astam Mining for the Purchase Consideration of S$10,000,000.

2. SALIENT TERM IN THE SUPPLEMENTAL DEED

In the Agreement, it was stated that the Purchase Consideration of S$10,000,000 would be satisfied by the issue and allotment to the Vendors (or to such persons as the Vendors may designate in writing) of such number of Consideration Warrants at an issue price equivalent to the closing market price of the Company's shares at the date of the approval from the Company's shareholders for the transactions contemplated in the Agreement (the "**Approval Date**"), per Consideration Warrant to the Vendors and upon the terms and subject to the conditions of a warrant deed.

Pursuant to the Supplemental Deed, the parties to the Agreement have now agreed instead to fix the issue price of the Consideration Warrants at S$0.02 per Consideration Warrant.

Other terms and conditions of the Agreement remain unchanged and the provisions in the Agreement remain in full force and effect and binding on the parties to the Agreement.

3. RELATIVE FIGURES UNDER RULE 1006

The relative figures computed on the bases pursuant to Rule 1006(a) to (d) of the Section B of the Listing Manual of the SGX-ST: Rules of Catalist (the "**Listing Manual**") in respect of the Proposed Acquisition (based on the issue price of S$0.02 per Consideration Warrant) and based on the audited consolidated financial statements of the Company and the Group for the financial year ended March 2009 ("**FY2009**") are set out as follows:-

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not meaningful(1)
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	31%(2)
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	Equal to or less than 21%(3)

Notes:-

(1) Not meaningful as the Group was loss-making in FY2009.

(2) Based on the Purchase Consideration of S$10,000,000 and the market capitalisation of the Company of S$32,726,206 as at 7 April 2010 (being the market day preceding the date of the Agreement) (computed using 1,536,441,620 shares of the Company in issue and weighted average price of S$0.02130 of LBC's shares transacted on 7 April 2010).

(3) Pursuant to the Proposed Acquisition (subject to, *inter alia*, fulfillment of the Conversion Conditions), 500,000,000 Consideration Warrants will be issued on the Approval Date. In addition, pursuant to the completion of the Rights Issue in early May 2010 (before the Completion of the Proposed Acquisition), the enlarged number of shares of the Company, assuming that all Rights are taken up, will be 2,458,306,592 shares. Based on the above assumptions, the relative figure under Rule 1006(d) will be equal to or less than 21%.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the Group as set out below are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or financial position of the Group after the completion of the Proposed Acquisition.

The financial effects of the Proposed Acquisition (based on the issue price of S$0.02 per Consideration Warrant) on the share capital, earnings, consolidated net tangible assets ("**NTA**") and gearing of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2009. For the purpose of illustrating the financial effects of the Proposed Acquisition, the financial effects are based on, *inter alia*, the following assumptions:-

(a) 500,000,000 Conversion Shares (being the number of new shares to be issued by the Company based on the issue price of S$0.02 per Consideration Warrant pursuant to the conversion of 500,000,000 Consideration Warrants) will be issued;

(b) For the purpose of computing the financial effects of the Proposed Acquisition on the earnings of the Group, the Proposed Acquisition is assumed to have been completed on 1 April 2008; and

(c) For the purpose of computing the financial effects of the Proposed Acquisition on the share capital of the Company, NTA and gearing of the Group, the Proposed Acquisition is assumed to have been completed on 31 March 2009.

4.1 Share Capital

The effect of the Proposed Acquisition on the issued share capital of the Company is as follows:-

	Before the Proposed Acquisition		After the Proposed Acquisition	
	No. of Shares ('000)	S$'000	No. of Shares ('000)	S$'000
Existing share capital	1,404,619	22,316	1,404,619	22,316
Add: New Shares to be Issued	-	-	500,000	10,000
Enlarged share capital	1,414,619	22,316	1,904,619	32,316

4.2 Loss per Share ("LPS")

The effect of the Proposed Acquisition on the LPS of the Group in FY2009 is as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss of the Group (S$'000)	(9,127)	(9,127)
Weighted number of issued shares	1,383,576,457	1,883,576,457
Loss per Share (cents)	(0.66)	(0.48)

4.3 NTA

The financial effect of the Proposed Acquisition on the NTA of the Group as at 31 March 2009 is as follows:-

S$'000	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group (S$'000)	11,250	21,250
Number of issued shares	1,404,618,120	1,904,618,120
NTA per share (cents)	0.80	1.12

4.4 Gearing

The financial effect of the Proposed Transactions on the gearing of the Group as at 31 March 2009 is as follows:-

S$'000	Before the Proposed Acquisition	After the Proposed Acquisition
Total Borrowings (S$'000)	2,568	2,568
Shareholders' funds (S$'000)	11,253	21,253
Gearing (times)	0.23	0.12

5. INTERESTS OF CONTROLLING SHAREHOLDERS AND DIRECTORS

None of the controlling shareholders or Directors of the Company has any interest, direct or indirect, in the Proposed Acquisition.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquires that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate in all material aspects as at the date of this Announcement, and that there are no material facts the omission of which would make this Announcement misleading.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement and the Supplemental Deed are available for inspection by prior written appointment during normal business hours at the Company's registered office presently at 149 Rochor Road #05-13/15 Fu Lu Shou Complex Singapore 188425 for a period of three (3) months from the date of this Announcement.

8. CIRCULAR TO SHAREHOLDERS

A circular to the shareholders, together with notice of the extraordinary general meeting will be despatched to shareholders in due course. The circular will contain, *inter alia*, details of the Proposed Acquisition.

9. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. The Proposed Acquisition is subject to numerous conditions and the terms of the Agreement and the Supplemental Deed. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbroker, bank manager, solicitor, accountant, or other professional advisers if they have any doubt about the actions they should take.

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

Ong Puay Koon
Managing Director and Chief Executive Officer
24 April 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.