

 Print this page

First Quarter Results * Financial Statement And Related 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 | 30-Jul-2010 17:41:01 |
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>> Announcement Details
 The details of the announcement start here ...

| | |
|----------------------------------|------------|
| For the Financial Period Ended * | 30-06-2010 |
|----------------------------------|------------|

| | |
|-------------|--|
| Description | |
|-------------|--|

Attachments

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|  LBC_Q1Results_30June2010.pdf Total size = 197K (2048K size limit recommended) |
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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement, together with Statement of Comprehensive Income for the group together with a comparative statement for the corresponding period of the immediate preceeding financial year

Income Statements

| | Group | | |
|---|--|--|----------------|
| | 1st qtr ended 30.06.2010 S\$'000 | 1st qtr ended 30.06.2009 S\$'000 | +/(-) % |
| Revenue | | | |
| Interest income | - | - | NM |
| Other income | 123 | 50 | 146 |
| Total revenue | 123 | 50 | 146 |
| Items of expenses | | | |
| Staff costs | (426) | (431) | (1) |
| Share-based payments to directors & staff | (63) | (946) | (93) |
| Other expenses | (439) | (437) | 0 |
| Finance costs | (23) | (31) | (26) |
| Share of results of an associated company | (504) | (401) | 28 |
| Loss before taxation | (1,332) | (2,196) | (39) |
| Taxation | - | - | NM |
| Loss for the period | (1,332) | (2,196) | (39) |
| Loss after tax | (1,332) | (2,196) | (39) |

Consolidated Statement of Comprehensive Income for the 1st Quarter ended 30 June 2010

| | Group | | |
|--|--|--|----------------|
| | 1st qtr ended 30.06.2010 S\$'000 | 1st qtr ended 30.06.2009 S\$'000 | +/(-) % |
| Loss after tax | (1,332) | (2,196) | (39) |
| Other comprehensive income/(expense) (taken directly to equity) | | | |
| Exchange gain/(loss) on foreign translation | (38) | (7) | N.M |
| Net value changes on available-for-sale financial assets | - | 107 | NM |
| Other comprehensive income/ (expense)for the period, net of tax | (38) | 100 | (138) |
| Total comprehensive expense for the period | (1,370) | (2,096) | (35) |

Notes to Income Statements

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

| | Group | | |
|--|--------------------------------------|--|----------------|
| | 1st qtr ended 30.06.10 S\$'000 | 1st qtr ended 30.06.2009 S\$'000 | +/(-) % |
| Depreciation of Property, plant and equipment | (13) | (21) | (38) |
| Exchange gain/(loss) | 39 | (13) | NM |

NM: Not meaningful.

1b (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 | | Company | |
|--|---------------|------------------------|---------------|------------------------|
| | 30 Jun 2010 | Audited 31 Mar 2010 | 30 Jun 2010 | Audited 31 Mar 2010 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 77 | 90 | 69 | 81 |
| Agricultural assets | 1,287 | 1,287 | - | - |
| Goodwill on consolidation | 3,686 | 3,686 | - | - |
| Subsidiaries | - | - | 842 | 842 |
| Associated companies | 11,105 | 11,609 | 11,105 | 11,609 |
| Other assets | 200 | 200 | 200 | 200 |
| | <u>16,355</u> | <u>16,872</u> | <u>12,216</u> | <u>12,732</u> |
| Current assets | | | | |
| Trade receivables | 40 | 37 | - | - |
| Other receivables | 137 | 124 | 75 | 62 |
| Prepayments | 27 | 28 | 24 | 25 |
| Amounts owing by subsidiaries | - | - | 4,066 | 3,727 |
| Amounts owing by associated companies | 369 | 369 | 369 | 369 |
| Amounts owing by related parties | 182 | 180 | 7 | 7 |
| Cash and short-term deposits | 2,914 | 58 | 2,777 | 14 |
| | <u>3,669</u> | <u>786</u> | <u>7,318</u> | <u>4,204</u> |
| Current liabilities | | | | |
| Amounts due to bankers | 1,743 | 1,946 | 1,743 | 1,946 |
| Trade payables | 329 | 330 | 270 | 271 |
| Other payables | 2,020 | 2,733 | 1,918 | 2,502 |
| Provision for warranty and defects | 227 | 225 | - | - |
| Provision for litigation claims | 430 | 430 | 430 | 430 |
| Amounts owing to subsidiaries | - | - | 17 | 17 |
| Amounts owing to related parties | 430 | 453 | 36 | 35 |
| | <u>5,179</u> | <u>6,117</u> | <u>4,414</u> | <u>5,281</u> |
| Net current liabilities | (1,510) | (5,321) | 2,904 | (1,077) |
| Non-current liabilities | | | | |
| Hire purchase creditors | (67) | (76) | (67) | (76) |
| Net assets | <u>14,778</u> | <u>11,475</u> | <u>15,053</u> | <u>11,579</u> |
| Equity attributable to equity holders of the Parent | | | | |
| Share capital | 29,826 | 25,153 | 29,826 | 25,153 |
| Accumulated losses | (18,201) | (16,869) | (17,923) | (16,724) |
| Other reserves | 3,151 | 3,189 | 3,150 | 3,150 |
| | <u>14,776</u> | <u>11,473</u> | <u>15,053</u> | <u>11,579</u> |
| Minority interest | 2 | 2 | - | - |
| Total equity | <u>14,778</u> | <u>11,475</u> | <u>15,053</u> | <u>11,579</u> |

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 Jun 2010 | |
|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 |
| 29 | 1,743 |

| As at 31 Mar 2010 | |
|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 |
| 29 | 1,946 |

Amount repayable after one year

| As at 30 Jun 2010 | |
|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 |
| 67 | - |

| As at 31 Mar 2010 | |
|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 |
| 76 | - |

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 | |
|---|----------------|---------------|
| | 1st qtr ended | 1st qtr ended |
| | 30.06.2010 | 30.06.2009 |
| | S\$'000 | S\$'000 |
| Cash flow from operating activities | | |
| Loss before taxation | (1,332) | (2,196) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 13 | 21 |
| Share-based payments | 63 | 946 |
| Interest expense | 23 | 31 |
| Interest income | - | - |
| Share of results of an associated company | 504 | 401 |
| Operating cash flows before change in working capital | <u>(729)</u> | <u>(797)</u> |
| Increase in receivables | (16) | (48) |
| Decrease/(increase) in prepayments | 1 | (2) |
| (Decrease)/increase in payables | (712) | 207 |
| Increase in amounts due from associated companies | - | (3) |
| (Decrease)/increase in amount due to related parties | (25) | 742 |
| Cash flows (used in)/generated from operations | <u>(1,481)</u> | <u>99</u> |
| Interest received | - | - |
| Interest paid | (23) | (31) |
| Net cash flows (used in)/generated from operating activities | <u>(1,504)</u> | <u>68</u> |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | - | - |
| Net cash used in investing activities | <u>-</u> | <u>-</u> |
| Cash flow from financing activities | | |
| Payments made to bankers and financial institutions | (203) | (99) |
| Proceeds from issuance of right shares | 4,610 | - |
| Payments made to hire purchase creditors | (9) | (7) |
| Net cash generated from/(used in) financing activities | <u>4,398</u> | <u>(106)</u> |
| Net increase/(decrease) in cash and cash equivalents | 2,894 | (38) |
| Cash and cash equivalents at beginning of the period | 58 | 209 |
| Effect of exchange differences on opening cash | (38) | (7) |
| Cash and cash equivalents at end of the period | <u>2,914</u> | <u>164</u> |

1d(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

| Changes in equity - Group (S\$'000) | Attributable to equity holders of the Parent | | | | | Total | Minority Interest | Total equity |
|--|--|-----------------------|-----------------------|------------------------|--------------------|---------|----------------------|-----------------|
| | Share Capital | Accumulated Losses | Fair Value Reserve | Translation Reserve | Capital Reserve | | | |
| As at 1 April 2010 | 25,153 | (16,869) | - | 39 | 3,150 | 11,473 | 2 | 11,475 |
| Total comprehensive expense for the period | - | (1,332) | - | (38) | - | (1,370) | - | (1,370) |
| Issue of new ordinary shares | 4,673 | - | - | - | - | 4,673 | - | 4,673 |
| As at 30 June 2010 | 29,826 | (18,201) | - | 1 | 3,150 | 14,776 | 2 | 14,778 |
| As at 1 April 2009 | 22,316 | (10,253) | (834) | 21 | - | 11,250 | 3 | 11,253 |
| Total comprehensive expense for the period | - | (2,196) | 107 | (7) | - | (2,096) | - | (2,096) |
| Issue of new ordinary shares | 946 | - | - | - | - | 946 | - | 946 |
| As at 30 June 2009 | 23,262 | (12,449) | (727) | 14 | - | 10,100 | 3 | 10,103 |

| Changes in equity - Company (S\$'000) | Attributable to equity holders of the Company | | | | Total |
|--|---|-----------------------|-----------------------|---------------------|---------|
| | Share Capital | Accumulated Losses | Fair Value Reserve | Capital Reserves | |
| As at 1 April 2010 | 25,153 | (16,724) | - | 3,150 | 11,579 |
| Total comprehensive expense for the period | - | (1,199) | - | - | (1,199) |
| Issue of new ordinary shares | 4,673 | - | - | - | 4,673 |
| As at 30 June 2010 | 29,826 | (17,923) | - | 3,150 | 15,053 |
| As at 1 April 2009 | 22,316 | (6,274) | (834) | - | 15,208 |
| Total comprehensive expense for the period | - | (1,359) | 107 | - | (1,252) |
| Issue of new ordinary shares | 946 | - | - | - | 946 |
| As at 30 June 2009 | 23,262 | (7,633) | (727) | - | 14,902 |

1d(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 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 Schemes

| | 3 months ended 30 June 2010 | 3 months ended 30 June 2009 |
|--------------------------------|--------------------------------|--------------------------------|
| Balance at beginning of period | 2,409,000 | 11,444,500 |
| Issued during the period | (600,000) | (9,002,000) |
| Balance at end of period | 1,809,000 | 2,442,500 |

Warrants

| | 3 months ended 30 June 2010 | 3 months ended 30 June 2009 |
|------------------------------------|--------------------------------|--------------------------------|
| Balance at beginning of period | 376,084,027 | 166,084,027 |
| New warrants issued (rights issue) | 180,221,562 | - |
| Balance at end of period | 556,305,589 | 166,084,027 |

Number of Ordinary Shares

| | 3 months ended 30 June 2010 | 3 months ended 30 June 2009 |
|--------------------------------|--------------------------------|--------------------------------|
| Balance at beginning of period | 1,536,441,620 | 1,404,618,120 |
| Rights Shares | 921,864,972 | - |
| Employee Share Award | 600,000 | 9,002,000 |
| Balance at end of period | 2,458,906,592 | 1,413,620,120 |

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 June 2010 was 2,458,906,592 (31 March 2010 : 1,536,441,620).

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures for the period under review have not been audited or reviewed by the auditors.

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 statement 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

| | 3 months ended 30 June 2010 | 3 months ended 30 June 2009 |
|--|-----------------------------------|-----------------------------------|
| Loss per ordinary share (cents) | | |
| Basic | (0.06) cents | (0.16) cents |
| Diluted | (0.06) cents | (0.16) cents |
| Weighted average number of shares | | |
| Basic | 2,269,758,127 | 1,407,585,812 |
| Diluted | 2,269,758,127 | 1,407,585,812 |

7. Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the

- (a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group | | Company | |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
| | As at 30 June 2010 | As at 31 March 2010 | As at 30 June 2010 | As at 31 March 2010 |
| Net asset value per ordinary share (cents) | 0.60 | 0.75 | 0.61 | 0.75 |

Net asset value per ordinary share for the Group and Company is based on 2,458,906,592 (31 March 2010: 1,536,441,620) shares in issue.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) 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;
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income statement

The group revenue of S\$123,000 in 1QFY11 was higher than the revenue of S\$50,000 in the same period last year as a result of project billings by a subsidiary to its clients and an unrealised exchange gain. The other income last year comprised mainly rental income for leasing of dinosaur exhibits but there was no such income in the current quarter.

The group registered a loss after tax of S\$1.332 million for the current quarter, a reduction from the same quarter last year of S\$2.196 million. The decrease in loss was mainly due to the lower share-based payments made this quarter because no PSS shares were issued this year. This was partially offset by an increase in the share of losses of an associated company.

Balance sheets

The cash and cash equivalents increased from \$58,000 at 31 March 2010 to \$2.914 million at 30 June 2010. This arose mainly from the net proceeds of S\$4.300 million received from the rights issue completed in May 2010 less the amount of approximately S\$1.600 million used for working capital purposes up to 30 June 2010. As a result, the net current liabilities decreased from S\$5.321 million at 31 March 2010 to S\$1.510 million at 30 June 2010.

Similarly, net assets also increased from S\$11.475 million at 31 March 2010 to S\$14.778 million at 30 June 2010.

Cash flow

Net cash used in operating activities was S\$1.504 million in 1QFY11 while net cash generated from operating activities in 1QFY10 was S\$68,000. This change was mainly due to the decrease of S\$712,000 in payables for this quarter ended 30 June 2010 and the increase in amount owing to related parties of S\$742,000 for the corresponding quarter last year.

Financing activities generated S\$4.4 million of net cash which was derived from issuance of rights shares after payment of related expenses incurred. Overall, cash and cash equivalents have increased from S\$164,000 at 31 March 2010 to S\$2.914 million at 30 June 2010.

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

There was no forecast or prospect statement which has been previously disclosed to shareholders.

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.

As previously announced, with the completion of the acquisition of Jarak Nursery Sdn Bhd ("JN") in March 2010, LBC will benefit from the revenue and cashflow that JN is expected to bring in from its 3-year Jatropha seedling supply contract which is estimated to generate a profit before tax of RM24 million over the next 3 years. LBC Group also continues to concentrate its limited resources to assist its associated company, Lereno Sdn Bhd ("LSB") and its bio-diesel production plant in Lumut, Malaysia.

As already announced, LBC has also entered into a conditional Sale and Purchase Agreement with the shareholders of ASTAM Mining Pte Ltd ("ASTAM") to acquire a 5% equity stake in ASTAM in exchange for the issue of LBC shares. On completion of the Sale and Purchase Agreement, ASTAM will pay S\$2.5 million to LBC. This will improve the cashflow of LBC further. Acquisition of the 5% stake in ASTAM will also allow LBC to further diversify its business into the mineral resources industry.

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 during the financial period.

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 S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---|--|---|
| | 1Q2010 S\$'000 | 1Q2010 S\$'000 |
| <u>Costs and expenses</u> Office rental billed by Sun Continental Investment & Trading Pte Ltd | - | 80 |

14. Review by Catalyst Sponsor

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.

BY ORDER OF THE BOARD

ONG PUAY KOON
Managing Director and Chief Executive Officer
LERENO BIO-CHEM LTD

Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

I, Ong Puay Koon, and Ong Choon Lui being the two directors of Lereno Bio-Chem Ltd ("the Company"), do hereby confirm on behalf of the Board that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the first quarter ended 30 June 2010 to be false or misleading in any material respect.

On behalf of the Board of Directors

ONG PUAY KOON
Managing Director and Chief Executive Officer
30 July 2010

ONG CHOON LUI
Executive Director