

 Print this page

Half Year 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	10-Nov-2010 18:04:44
Announcement No.	00154

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

For the Financial Period Ended *	30-09-2010
----------------------------------	------------

Description	
-------------	--

Attachments

 LBC_Q2Results_30Sept2010.pdf
 Total size = **210K**
 (2048K size limit recommended)

Close Window

UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2010

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) HALF YEAR AND FULL YEAR RESULTS

The Directors of Lereno Bio-Chem Ltd wish to announce the unaudited results of the Group for the second quarter ended 30 September 2010 ("2Q FY 2011") and half year ("1H FY 2011") ended 30 September 2010

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Income Statements

	Group		+/(-) %	Group		+/(-) %
	2nd Qtr ended 30.09.10	2nd Qtr ended 30.09.09		1st Half Yr ended 30.09.10	1st Half Yr ended 30.09.09	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue						
Interest income	1	-	NM	1	-	NM
Other income	70	67	4	193	117	65
Total revenue	71	67	6	194	117	66
Items of expenses						
Staff costs	(438)	(329)	33	(864)	(760)	14
Share-based payment	(117)	(91)	29	(180)	(1,037)	(83)
Other expenses	(455)	(276)	65	(894)	(713)	25
Finance costs	(18)	(30)	(40)	(41)	(61)	(33)
Share of results of an associated company	(579)	(441)	31	(1,083)	(842)	29
Loss before taxation	(1,536)	(1,100)	40	(2,868)	(3,296)	(13)
Taxation	-	-	NM	-	-	NM
Loss for the period	(1,536)	(1,100)	40	(2,868)	(3,296)	(13)

Consolidated Statement of Comprehensive Income for the 2nd Quarter and Half year ended 30 September 2010

	Group		+/(-) %	Group		+/(-) %
	2nd Qtr ended 30.09.10	2nd Qtr ended 30.09.09		1st Half Yr ended 30.09.10	1st Half Yr ended 30.09.09	
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss, net of tax	(1,536)	(1,100)	40	(2,868)	(3,296)	(13)
Other comprehensive income (taken directly to equity)						
Exchange (loss)/ gain on foreign translation	71	(5)	NM	33	(12)	NM
Net value changes on available-for-sale financial assets	-	190	NM	-	297	NM
Other comprehensive income/(expense) for the period, net of tax	71	185	(62)	33	285	NM
Total comprehensive expense for the period	(1,465)	(915)	60	(2,835)	(3,011)	(6)

Notes to Income Statements

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

	Group		+/(-) %	Group		+/(-) %
	2nd Qtr ended 30.09.10	2nd Qtr ended 30.09.09		1st Half Yr ended 30.09.10	1st Half Yr ended 30.09.09	
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation of property, plant and equipment	(14)	(20)	(31)	(27)	(41)	(34)
Exchange gain/(loss)	(91)	2	NM	(52)	(11)	NM

NM: Not meaningful.

1(b)(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	
	Audited		30 Sep 2010	Audited 31 Mar 2010
	30 Sep 2010	31 Mar 2010		
	S\$'000	S\$'000	S\$'000	S\$'000
Non current assets				
Property, plant and equipment	146	90	138	81
Agricultural assets	1,287	1,287	-	-
Goodwill on consolidation	3,686	3,686	-	-
Subsidiaries	-	-	842	842
Associated companies	10,526	11,609	10,526	11,609
Other assets	200	200	200	200
	<u>15,845</u>	<u>16,872</u>	<u>11,706</u>	<u>12,732</u>
Current assets				
Trade receivables	36	37	-	-
Other receivables	804	124	66	62
Prepayments	27	28	27	25
Amounts owing by subsidiaries	-	-	5,020	3,727
Amounts owing by associated companies	369	369	369	369
Amounts owing by related parties	179	180	7	7
Cash and bank balances	373	58	247	14
	<u>1,788</u>	<u>796</u>	<u>5,736</u>	<u>4,204</u>
Current liabilities				
Amounts due to bankers	1,214	1,946	1,214	1,946
Trade payables	330	330	271	271
Other payables	1,545	2,733	1,475	2,582
Provision for warranty and defects	223	225	-	-
Provision for litigation claims	430	430	430	430
Amounts owing to subsidiaries	-	-	15	17
Amounts owing to related parties	345	453	36	35
	<u>4,087</u>	<u>6,117</u>	<u>3,441</u>	<u>6,281</u>
Net current liabilities	(2,299)	(5,321)	2,295	(1,077)
Non current liabilities				
Hire purchase creditors	(116)	(76)	(116)	(76)
Net assets	<u>13,430</u>	<u>11,475</u>	<u>13,885</u>	<u>11,579</u>
Equity attributable to equity holders of the parent				
Share capital	29,943	25,153	29,943	25,153
Accumulated losses	(19,737)	(16,869)	(19,208)	(16,724)
Other reserves	3,222	3,189	3,150	3,150
	<u>13,428</u>	<u>11,473</u>	<u>13,885</u>	<u>11,579</u>
Minority interest	2	2	-	-
Total equity	<u>13,430</u>	<u>11,475</u>	<u>13,885</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 Sep 2010	
Secured	Unsecured
S\$'000	S\$'000
33	1,214

As At 31 Mar 2010	
Secured	Unsecured
S\$'000	S\$'000
29	1,946

Amount repayable after one year

As At 30 Sep 2010	
Secured	Unsecured
S\$'000	S\$'000
116	-

As At 31 Mar 2010	
Secured	Unsecured
S\$'000	S\$'000
75	-

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		Group	
	2nd Qtr ended 30.09.10	2nd Qtr ended 30.09.09	1st Half Yr ended 30.09.10	1st Half Yr ended 30.09.09
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities				
Loss before taxation	(1,536)	(1,100)	(2,868)	(3,296)
Adjustments for:				
Depreciation of property, plant and equipment	14	20	27	41
Share-based payment	117	91	180	1,037
Interest expense	18	30	41	61
Interest income	(1)	-	(1)	-
Gain on disposal of property, plant and equipment	(33)	-	(33)	-
Share of results of an associated company	579	441	1,083	842
Operating loss before change in working capital	(842)	(518)	(1,571)	(1,315)
(Increase)/decrease in receivables	(663)	34	(679)	(14)
Increase/(decrease) in prepayments	-	(9)	1	(11)
(Decrease)/increase in payables	(482)	102	(1,194)	309
Decrease in amount due from associated companies	-	21	-	18
(Increase)/Decrease in amount due from related parties	(82)	545	(107)	1,287
Cash (used in)/generated from operations	(2,069)	175	(3,550)	274
Interest received	1	-	1	-
Interest paid	(18)	(30)	(41)	(61)
Net cash flows (used in)/generated from operating activities	(2,086)	145	(3,590)	213
Cash flow from investing activities				
Purchase of property, plant and equipment	(100)	-	(100)	-
Proceeds from disposal of property, plant and equipment	51	-	51	-
Net cash generated from investing activities	(49)	-	(49)	-
Cash flow from financing activities				
Payments made to bankers and financial institutions	(529)	(130)	(732)	(229)
Proceeds from rights shares	-	-	4,610	-
Hire purchase obligation acquired during the year	90	-	90	-
Payment made to hire purchase creditors	(38)	(12)	(47)	(19)
Net cash used in/generated from financing activities	(477)	(142)	3,921	(248)
Net increase/(decrease) in cash and cash equivalents	(2,612)	3	282	(35)
Cash and cash equivalents at beginning of the period	2,914	164	58	209
Effect of exchange differences on opening balance	71	(5)	33	(12)
Cash and cash equivalents at end of the period	373	162	373	162

1(d)(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

STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010

Changes in equity - Group (\$'000)	Attributable to equity holders of the Company					Total	Minority Interest	Total Equity
	Share Capital	Accum. Losses	Fair Value Reserve	Translation Reserve	Capital Reserve			
As at 1 July 2010	29,826	(18,201)	-	1	3,150	14,776	2	14,778
Total comprehensive expense for the period	-	(1,536)	-	71	-	(1,465)	-	(1,465)
Issue of new ordinary shares	117	-	-	-	-	117	-	117
As at 30 Sep 2010	29,943	(19,737)	-	72	3,150	13,428	2	13,430
As at 1 July 2009	23,262	(12,449)	(727)	14	-	10,100	3	10,103
Total comprehensive expense for the period	-	(1,100)	190	(5)	-	(915)	-	(915)
Issue of new ordinary shares	91	-	-	-	-	91	-	91
As at 30 Sep 2009	23,353	(13,549)	(637)	9	-	9,276	3	9,279

Changes in equity Company (\$'000)	Attributable to equity holders of the Company				
	Share Capital	Accum. Losses	Fair Value Reserve	Capital Reserve	Total
As at 1 July 2010	29,826	(17,923)	-	3,150	15,053
Total comprehensive expense for the period	-	(1,285)	-	-	(1,285)
Issue of new ordinary shares	117	-	-	-	117
As at 30 Sep 2010	29,943	(19,208)	-	3,150	13,885
As at 1 July 2009	23,262	(7,633)	(727)	-	14,902
Total comprehensive expense for the period	-	(487)	190	-	(297)
Issue of new ordinary shares	91	-	-	-	91
As at 30 Sep 2009	23,353	(8,120)	(537)	-	14,696

- 1(d)(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 or 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

	3 months ended 30 Sep 2010	3 months ended 30 Sep 2009
Balance at 1 July	1,809,000	2,442,500
Shares granted during the period	6,089,000	10,124,000
Shares issued during the period	(7,898,000)	(2,821,500)
Balance at 30 September	-	9,745,000

Warrants

	3 months ended 30 Sep 2010	3 months ended 30 Sep 2009
Balance at 1 July	556,305,589	166,084,027
Converted during the period	-	-
Balance at 30 September	556,305,589	166,084,027

Number of ordinary shares

	3 months ended 30 Sep 2010	3 months ended 30 Sep 2009
Balance at 1 July	2,458,906,592	1,413,620,120
Employee Share Awards	7,898,000	2,821,500
Balance at 30 September	2,466,804,592	1,416,441,620

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 September 2010 was 2,466,804,592 (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 current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to review Financial Statements), or an equivalent standard).

The figures 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 statements have been applied.

The financial statements have been prepared in compliance with the same accounting policies and method 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

	2nd Qtr ended 30.09.10 Cents	2nd Qtr ended 30.09.09 Cents	1st Half Yr ended 30.09.10 Cents	1st Half Yr ended 30.09.09 Cents
Loss per ordinary share(cent)				
Basic	(0.06)	(0.06)	(0.12)	(0.19)
Diluted	(0.06)	(0.06)	(0.12)	(0.19)
Weighted average number of shares				
Basic	2,463,971,614	1,737,191,787	2,367,179,934	1,737,191,787
Diluted	2,463,971,614	1,737,191,787	2,367,179,934	1,737,191,787

7. Net asset value (for the issuer and the group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 30 Sep 2010	As at 31 Mar 2010	As at 30 Sep 2010	As at 31 Mar 2010
Net asset value per ordinary share (cents)	0.54	0.75	0.59	0.75

Net asset value per ordinary share for the Group and Company is based on 2,466,804,592 (31 March 2010: 1,536,441,620) ordinary 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. The review must discuss 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. It must also discuss 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

Group revenue increased from \$67,000 in 2Q FY2010 to \$71,000 in 2Q FY2011 and from \$117,000 in 1H FY2010 to \$194,000 in 1H FY2011. The higher revenue this year to-date was mainly due to increase in other income arising from project billing by a subsidiary and gain of \$33,000 from disposal of property. The other income last year comprised mainly rental income of dinosaur exhibits but there was no such income in FY2011.

The Group registered a higher loss of \$1.536 million for the 2Q FY2011 as compared to a loss of \$1.1 million for the 2Q FY2010. This was mainly due to the following reasons:

- (i) The increase of staff cost in 2Q FY2011 of \$109,000 as compared to the corresponding period last year was mainly due to the inclusion of the staff costs of Jarak Nursery Sdn Bhd acquired in March 2010.
- (ii) \$30,000 was incurred for due diligence expenses for the proposed Astam acquisition.
- (iii) Transportation cost of \$63,000 was incurred to transfer dinosaur exhibits to a cheaper warehouse in Malaysia with an anticipated saving of \$60,000 in annual rental costs.
- (iv) Unrealised exchange loss of \$91,000 was due mainly to the strengthening of SGD against ringgit relating to inter-companies balances.
- (iv) The share of loss of associated company has increased by \$138,000 as compared to the corresponding period last year as a consequence of a lower level of activity in the associate.

Balance Sheet and Cash Flow

The cash and cash equivalents increased from \$58,000 as at 31 March 2010 to \$373,000 as at 30 September 2010. While we have received the net proceeds of \$4.3 million from the rights issued completed in May 2010, part of the net proceeds was used to repay bankers and creditors. As a result, the net current liabilities decreased from \$5.321 million as at 31 March 2010 to \$2.300 million as at 30 September 2010.

Net cash used in operating activities was \$2.086 million in 2Q FY2011 whereas the net cash generated from the operating activities in 2Q FY2010 was \$0.145 million. The net cash used in 2Q FY2011 was mainly due to the increase of receivables of \$663,000 from trading operations and reduction in payables of \$482,000. The net cash generated in 2Q FY2010 was mainly due to decrease in amount owing to related parties of \$545,000. The net cash used in financing activities also increased by \$335,000 as compared to the same quarter last year mainly due to repayment to bankers.

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

Not applicable

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.

The wholly owned subsidiary acquired in March 2010, Jarak Nursery Sdn Bhd ("JN") is expected to commence its 3-year Jatropha seedling supply contract in 3Q FY2011. This will bring in additional revenue and cashflow for LBC Group. The Jatropha seedling supply contract is expected 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 warrants. Once the terms of the Sale and Purchase Agreement have been met, 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 for the second quarter.

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 \$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)
	2Q11 S\$'000	2Q11 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 No. : (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

We, ONG PUAY KOON and ONG CHOON LUI, being two directors of Lereno Bio-Chem Ltd ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter and half year ended 30 September 2010 unaudited financial results to be false or misleading.

On behalf of the Board of Directors

ONG PUAY KOON

Managing Director and Chief Executive Officer

10 November 2010

ONG CHOON LUI

Executive Director