

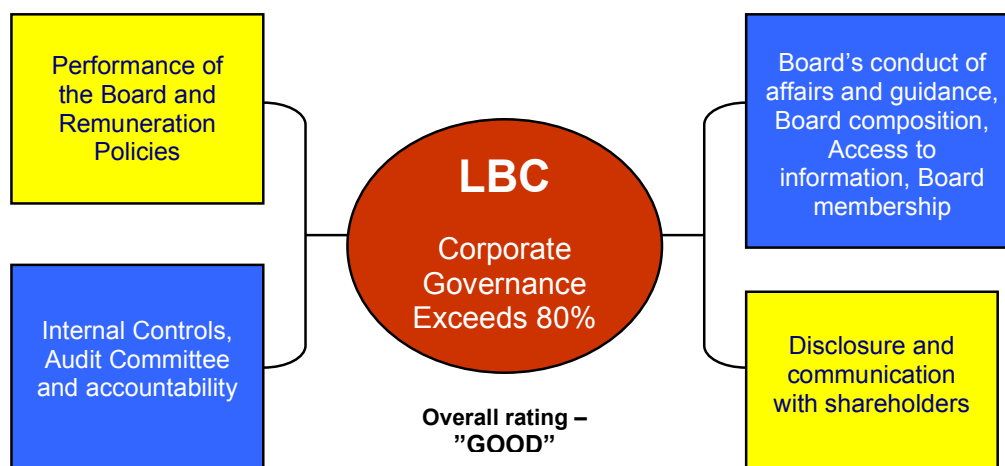
## **LBC's Corporate Governance highly rated by One of the Big Four Accounting Firms**

In August 2007 Lereno Bio-Chem Ltd's ("LBC") Audit Committee commissioned a complete independent review of its corporate governance. The principal objectives were to identify any gaps between existing corporate governance practices within LBC and the Singapore Code of Corporate Governance, and to provide recommendations to address any gaps identified. One of the "big four" international reputable accounting firms was appointed as LBC's internal auditor to carry out the corporate governance review as part of the internal audit review.

Mr. Peter Farrar, FCA, Chairman of LBC's Audit Committee, has recently reported to LBC's Board of Directors that the corporate governance review exercise by the independent accounting evaluator was successfully completed in December 2007.

The rating awarded for LBC's existing corporate governance practices validates the high quality work practices that have been undertaken within LBC during the past two years. LBC scored highly in critical areas such as Audit and Accountability, Disclosure and Communication with shareholders and Leadership and Strategy which include such issues as the Board's conduct of affairs, its composition and guidance, access to information and remuneration policies. An overall graphic summary of the results is shown below.

### **Areas for which LBC's Corporate Governance has been evaluated**



**Overall, LBC's Corporate Governance score exceeds 80%, giving it the highest possible rating of the "Good" Category.**

The Board is pleased to share the results of the review with shareholders and other stakeholders.