

UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2009

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 third quarter ended 31 December 2009 ("3Q FY 2010") and nine months ("9M FY 2010") ended 31 December 2009.

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

Income Statement

	Group		+/(-) %	Group		+/(-) %
	3rd Qtr ended 31.12.09	3rd Qtr ended 31.12.08		9 Months ended 31.12.09	9 Months ended 31.12.08	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue						
Construction income	-	-	NM	-	6	NM
Interest income	-	1	NM	-	2	NM
Other income	18	120	(85)	135	533	(75)
Total revenue	18	121	(85)	135	541	(75)
Items of expenses						
Raw materials and consumables used	-	-	NM	-	(5)	NM
Staff costs	(334)	(537)	(38)	(1,094)	(1,860)	(41)
Share-based payment	-	-	NM	(1,037)	(2,410)	(57)
Other expenses	(254)	(398)	(36)	(967)	(1,610)	(40)
Finance costs	(30)	(33)	(9)	(91)	(96)	(5)
Share of results of an associated company	(504)	(558)	(10)	(1,346)	(1,956)	(31)
Loss before taxation	(1,104)	(1,405)	(21)	(4,400)	(7,396)	(41)
Taxation	-	-	NM	-	(25)	NM
Loss for the period	(1,104)	(1,405)	(21)	(4,400)	(7,421)	(41)

Consolidated Statement of Comprehensive Income for the 3rd Quarter and 9 Months ended 31 December 2009

	Group		+/(-) %	Group		+/(-) %
	3rd Qtr ended 31.12.09	3rd Qtr ended 31.12.08		9 Months ended 31.12.09	9 Months ended 31.12.08	
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss, net of tax	(1,104)	(1,405)	(21)	(4,400)	(7,421)	(41)
Other comprehensive income(taken directly to equity)						
Exchange (loss)/ gain on foreign currency translation	2	(10)	(120)	(12)	(10)	20
Net value changes on available-for-sale financial assets	(92)	(305)	(70)	205	(351)	(158)
Other comprehensive income/(expense) for the period, net of tax	(90)	(315)	(71)	193	(361)	(153)
Total comprehensive expense for the period	(1,194)	(1,720)	(31)	(4,207)	(7,782)	(46)

Notes to Income Statement

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

	Group		+/(-) %	Group		+/(-) %
	3rd Qtr ended 31.12.09	3rd Qtr ended 31.12.08		9 Months ended 31.12.09	9 Months ended 31.12.08	
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation of property, plant and equipment	(12)	(17)	(29)	(53)	(59)	(10)
Exchange gain / (loss)	(3)	8	NM	(14)	(115)	(88)
Over/(underprovision) for taxation in respect of previous year	-	-	NM	-	(25)	(100)

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	
	Unaudited	Audited	Unaudited	Audited
	31 Dec 2009	31 Mar 2009	31 Dec 2009	31 Mar 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non current assets				
Property, plant and equipment	105	158	93	142
Subsidiaries	-	-	842	842
Associated companies	12,151	13,497	17,793	17,793
Other investment	377	172	377	172
Other assets	200	200	200	200
	<u>12,833</u>	<u>14,027</u>	<u>19,305</u>	<u>19,149</u>
Current assets				
Trade receivables	36	30	-	-
Other receivables	113	118	25	62
Prepayments	173	155	42	32
Amounts due from subsidiaries	-	-	614	604
Amounts due from associated companies	369	387	369	387
Amounts due from related parties	314	2,240	7	7
Cash and bank balances	155	209	65	90
	<u>1,160</u>	<u>3,139</u>	<u>1,122</u>	<u>1,182</u>
Current liabilities				
Amounts due to bankers	2,055	2,435	2,055	2,435
Trade payables	329	326	271	271
Other payables	2,415	1,960	2,208	1,848
Provision for warranty and defects	215	218	-	-
Provision for litigation claims	430	430	430	430
Amounts due to subsidiaries	-	-	1,144	-
Amounts due to related parties	380	436	32	31
	<u>5,824</u>	<u>5,805</u>	<u>6,140</u>	<u>5,015</u>
Net current liabilities	(4,664)	(2,666)	(5,018)	(3,833)
Non current liabilities				
Hire purchase creditors	(84)	(108)	(84)	(108)
Net assets	<u>8,085</u>	<u>11,253</u>	<u>14,203</u>	<u>15,208</u>
Equity attributable to equity holders of the parent				
Share capital	23,353	22,316	23,353	22,316
Accumulated losses	(14,653)	(10,253)	(8,521)	(6,274)
Fair value reserve	(629)	(834)	(629)	(834)
Translation reserve	11	21	-	-
	<u>8,082</u>	<u>11,250</u>	<u>14,203</u>	<u>15,208</u>
Minority interest	3	3	-	-
Total equity	<u>8,085</u>	<u>11,253</u>	<u>14,203</u>	<u>15,208</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 31 Dec 2009	
Secured	Unsecured
S\$'000	S\$'000
25	2,055

As At 31 Mar 2009	
Secured	Unsecured
S\$'000	S\$'000
15	2,435

Amount repayable after one year

As At 31 Dec 2009	
Secured	Unsecured
S\$'000	S\$'000
84	-

As At 31 Mar 2009	
Secured	Unsecured
S\$'000	S\$'000
108	-

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	
	3rd Qtr ended 31.12.09	3rd Qtr ended 31.12.08	9 Months ended 31.12.09	9 Months ended 31.12.08
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Loss before taxation	(1,104)	(1,405)	(4,400)	(7,396)
Adjustments for:				
Depreciation of property, plant and equipment	(94)	17	(53)	59
Share-based payment	-	-	1,037	2,410
Loss on disposal of plant and equipment	-	10	-	10
Interest expense	30	33	91	96
Interest income	-	(1)	-	(2)
Share of results of an associated company	504	558	1,346	1,956
Operating loss before changes in working capital	(664)	(788)	(1,979)	(2,867)
Decrease/(Increase) in receivables	13	44	(1)	142
(Increase) / decrease in prepayments	(7)	23	(18)	(89)
Increase/(decrease) in payables	146	(986)	455	(232)
Decrease/(Increase) in amounts due from associated companies	-	12	18	(385)
Decrease in amount due from related parties	583	190	1,870	348
Cash flows from / (used in) operations	71	(1,505)	345	(3,083)
Interest received	-	1	-	2
Interest paid	(30)	(33)	(91)	(96)
Income taxes paid	-	-	-	(36)
Net cash flows from / (used in) operating activities	41	(1,537)	254	(3,213)
Cash flow from investing activities				
Purchase of property, plant and equipment	-	(2)	-	(3)
Proceeds from disposal of plant and equipment	-	3	-	3
Net cash flow from investing activities	-	1	-	-
Cash flows from financing activities				
Payments made to bankers and financial institutions	(60)	-	(120)	-
Payment made to hire purchase creditors	(5)	(3)	(24)	(12)
Issuance of new shares - Share placement	-	1,000	-	1,000
Net cash flows (used in)/ from financing activities	(65)	997	(144)	988
Net increase/ (decrease) in cash and cash equivalents	(24)	(539)	110	(2,225)
Cash and cash equivalents at beginning of the period	(1,304)	(890)	(1,426)	796
Effect of exchange differences on opening balance	2	(10)	(10)	(10)
Cash and cash equivalents at end of the period	(1,326)	(1,439)	(1,326)	(1,439)
Cash and cash equivalents comprise the following:-				
Cash at bank and in hand			155	287
Bank overdraft			(1,375)	(1,726)
			(1,220)	(1,439)

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 THIRD QUARTER ENDED 31 DECEMBER 2009**

Changes in equity - Group (S\$'000)	Attributable to equity holders of the Company				Total	Minority Interest	Total Equity
	Share Capital	Accum. Losses	Fair Value Reserve	Translation Reserve			
As at 1 Oct 2009	23,353	(13,549)	(537)	9	9,276	3	9,279
Total comprehensive expense for the period	-	(1,104)	(92)	2	(1,194)	-	(1,194)
As at 31 Dec 2009	23,353	(14,653)	(629)	11	8,082	3	8,085
As at 1 Oct 2008	21,316	(7,142)	(558)	32	13,648	4	13,652
Total comprehensive expense for the period	-	(1,405)	(305)	(10)	(1,720)	-	(1,720)
Issue of new ordinary shares	1,000	-	-	-	1,000	-	1,000
As at 31 Dec 2008	22,316	(8,547)	(863)	22	12,928	4	12,932

Changes in equity Company (S\$'000)	Attributable to equity holders of the Company			
	Share Capital	Accum. Losses	Fair Value Reserve	Total
As at 1 Oct 2009	23,353	(8,120)	(537)	14,696
Total comprehensive expense for the period	-	(401)	(92)	(493)
As at 31 Dec 2009	23,353	(8,521)	(629)	14,203
As at 1 Oct 2008	21,316	(3,328)	(558)	17,430
Total comprehensive expense for the period	-	(445)	(305)	(750)
Issue of new ordinary shares	1,000	-	-	1,000
As at 31 Dec 2008	22,316	(3,773)	(863)	17,680

- 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 31 Dec 2009	3 months ended 31 Dec 2008
Balance at 1 October	9,745,000	11,444,500
Balance at 31 December	9,745,000	11,444,500

Warrants

	3 months ended 31 Dec 2009	3 months ended 31 Dec 2008
Balance at 1 October	166,084,027	166,084,027
Balance at 31 December	166,084,027	166,084,027

Number of ordinary shares

	3 months ended 31 Dec 2009	3 months ended 31 Dec 2008
Balance at 1 October	1,416,441,620	1,384,618,120
Placement of shares	-	20,000,000
Balance at 31 December	1,416,441,620	1,404,618,120

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 31 December 2009 was 1,416,441,620 (31 March 2009: 1,404,618,120).

- 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

The Group adopted the following new and revised FRS that are mandatory for the financial periods beginning on or after January 2009.

FRS 1 : Presentation of financial statements - Revised presentation

FRS 23 : Borrowing Costs

FRS 108 : Operating segments

The adoption of new and revised FRS did not have any impact on the results of the Group for the financial period ended 31 December 2009.

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

	3rd Qtr ended 31.12.09	3rd Qtr ended 31.12.08	9 Months ended 31.12.09	9 Months ended 31.12.08
	Cents	Cents	Cents	Cents
Loss per ordinary share(cent)				
Basic	(0.08)	(0.10)	(0.31)	(0.53)
Diluted	(0.08)	(0.10)	(0.31)	(0.53)
Weighted average number of shares				
Basic	1,413,131,534	1,376,690,095	1,413,131,534	1,376,690,095
Diluted	1,413,131,534	1,376,690,095	1,413,131,534	1,376,690,095

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 31 Dec 2009	As at 31 Mar 2009	As at 31 Dec 2009	As at 31 Mar 2009
Net asset value per ordinary share (cents)	0.57	0.80	1.00	1.08

Net asset value per ordinary share for the Group and Company is computed based on 1,416,441,620 shares as at 31 Dec 2009 (31 March 2009: 1,404,618,120).

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

3Q FY 2010

Revenue from construction has ceased while revenue from investments into new biofuel and related activities is still being developed. The Group's revenue of S\$18,000 recorded in 3Q FY 2010 arose mainly from government grant received whereas the revenue of S\$121,000 for the same period last year represented mainly the other income arising from a settlement agreement from a previous legal case won.

Staff cost was reduced by 38% or S\$0.203 million due to reduction in head count. Other expenses decreased from S\$0.398 million in 3Q FY 2010 to S\$ 0.254 million due to the various cost control measures taken by the Group. Share of losses of an associated company decreased from S\$0.558 million in 3Q FY 2009 to S\$0.504 million in 3Q FY 2010 due to higher sales and better cost management at the associated company. As a result of the above, the loss before tax decreased from S\$1.405 million in 3Q FY 2009 to S\$1.104 million in 3Q FY 2010

9M FY 2010

For 9M FY 2010, the decrease in revenue was S\$0.406 million with the Group registering a significantly lower loss of S\$4.40 million as compared to the loss of S\$7.421 million incurred for the same period last year. The decrease in revenue is attributed to the writing back of provisions previously made on creditors' balances amounting to S\$0.289 million in the nine-month period ended 31 December 2008, which did not recur in the nine-month period ended 31 December 2009.

Staff cost was reduced by 50% or S\$2.139 million and other expense decreased by 40% or S\$0.643 million due to the same reason mentioned above. Share of losses of an associated company decreased from S\$1.956 million to S\$1.346 million as a result of higher revenue and better cost control measures taken. The reduced losses were mainly due to lower expenses incurred as a result of the various cost control measures taken and the reduced share of losses of associated company. As a result of the above, the loss before tax decreased from S\$7.421 million in 9M FY 2009 to S\$4.400 million in 9M FY 2010.

BALANCE SHEETS

Current assets decreased from S\$3.139 million as at 31 March 2009 to S\$1.160 million as at 31 December 2009 due mainly to a decrease in amounts due from related parties. Current liabilities remained largely unchanged at S\$5.824 million as at 31 December 2009 as compared to 31 December 2008. Other payables increased from S\$1.960 million as at 31 March 2009 to S\$2.415 million as at 31 December 2009 mainly due to accrual of liquidated damages payable for termination of lease for the Jurong Island Biofuel Project and accrual of remuneration payable to a non-executive director partly offset by decrease in amounts due to banks of S\$0.380 million. Consequently, the net current liabilities increased from S\$2.666 million as at 31 March 2009 to S\$4.664 million. In addition, as at 31 December 2009, total equity of the Group had decreased from S\$11.253 million as at 31 March 2009 to S\$8.085 million as a result of the losses incurred during the nine-month period ended 31 December 2009.

CASH FLOW

Net cash generated from operating activities for 9M FY 2010 was S\$0.254 million due mainly to repayment of amounts due from related parties of S\$1.870 million. There was no cashflow from investing activities while net cash used in financing activities amounted to S\$0.144 million. As a result, net increase in cash and cash equivalents was S\$0.110 million for the nine-month period ended 31 December 2009.

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.

For the period under review, the associated company, Lereno Sdn Bhd ("LSB") secured higher sales and reduced its costs significantly despite difficult market conditions. As a result, the share of losses of associated company for the nine months ended 31 December 2009 was lower than the same period last year by S\$ 0.610 million or 31%. The measures taken by LSB will likely continue to improve its performance in the next 12 months.

On 1 January 2010, the Company signed a non-binding heads of agreement with PT Eastbourne Minerals Resources and Terenova Group Limited and Astam Mining Pte Ltd ("Astam"), for the proposed acquisition by the Company of the entire issued and paid up share capital of Astam ("the Proposed Acquisition"). Astam intends to acquire all the share capital of PT Eastbourne Minerals Resources ("Eastbourne") which holds the rights to mine a bauxite mine in Kalimantan, Indonesia.

The Company had announced on 15 January 2010 that its wholly owned Malaysian subsidiary, LBC Estate Holdings Sdn Bhd ("LBCEH") had signed a Sale & Purchase Agreement to acquire 100% of the share capital of Jarak Nursery Sdn Bhd ("JN") which is in the business of research, cultivation and trading of jatropa seedlings to planters and producers of jatropa crude oil. The aggregate consideration for the proposed acquisition shall be up to a maximum of S\$9.9 million to be satisfied by the issuance of 120 million LBC's ordinary shares of S\$0.03 each and 210 million warrants at S\$0.03 each to be issued by LBC, the conversion of the warrant is subject to the profits earned by JN in the following three years. This is also subject to among other things, results of due diligence and valuation of JN being satisfactory to LBCEH.

On 20 January 2010, the Company had disposed its entire shareholding of 2.3 million quoted shares in Bintai Kinden Corporation Berhad ("BKCB") for an aggregate amount of RM 851,000 (equivalent to S\$354,583). The purpose for the disposal was to streamline the Company's business to focus on biofuel business. The sale proceeds will be used for working capital purposes.

The Company intend to proceed with the Rights Issue on a non-underwritten basis as announced today. Mr Ong Puay Koon and Bin Tai Holdings Private Limited have given irrevocable undertakings to subscribe for 75% of their entitlement to Rights Shares with Warrants which may be subscribed by them.

The Company intends to use the net proceeds from the Rights Issue and the eventual exercise of the New Warrants, if any, for the Group's working capital purposes such as repayment of bank borrowings and to support trading operations.

The Directors are of the opinion that after taking into consideration the present bank facilities and the net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its requirements for the foreseeable future.

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 third 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 transaction conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	3Q FY2010 S\$'000	3Q FY2010 S\$'000
<u>Costs and expenses</u> Office rental billed by Sun Continental Investment & Trading Pte Ltd	-	80

14. 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 third quarter and nine months ended 31 December 2009 unaudited financial results to be false or misleading.

On behalf of the Board of Directors

ONG PUAY KOON
Managing Director and Chief Executive Officer
12 February 2010

ONG CHOON LUI
Executive Director

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.

ONG PUAY KOON
Managing Director and Chief Executive Officer
LERENO BIO-CHEM LTD
12 February 2010