KTMG LIMITED
(Formerly known as "Lereno Bio-Chem Ltd.)
(Registration No. 197401961C)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF KNIT TEXTILE AND APPAREL PTE. LTD.
– COMPLETION OF PROPOSED ACQUISITION
– RECONSTITUTION OF THE BOARD AND BOARD COMMITTEES
– REPORTING OF FINANCIAL STATEMENTS ON A HALF YEARLY BASIS
– NEW PRINCIPAL PLACE OF BUSINESS
– CHANGE IN REPORTING AND FUNCTIONAL CURRENCY OF THE COMPANY

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or the "**Directors**") of Lereno Bio-Chem Ltd. (the "**Company**") refers to the announcements dated 29 September 2017, 13 November 2017, 6 February 2018, 13 February 2018, 16 August 2018, 29 August 2018, 31 August 2018, 12 December 2018, 21 December 2018, 18 January 2019, 29 January 2019, 8 February 2019 and 14 February 2019 (collectively, the "**Announcements**") and the Circular dated 21 December 2018 ("**Circular**") in relation to the proposed acquisition of the entire issued and paid up share capital of Knit Textile and Apparel Pte. Ltd. ("**Proposed Acquisition**").

1.2 Unless otherwise defined herein or the context requires otherwise, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Circular.

COMPLETION OF PROPOSED ACQUISITION

1.3 The Board wishes to announce that following the fulfilment of the Conditions, the Proposed Acquisition has been completed on 18 February 2019.

1.4 Following the completion of the Proposed Acquisition:

1.4.1 the Company has acquired the entire issued and paid-up share capital of the Target from the Vendor;

1.4.2 at the direction of the Vendor, 85,000,000 new Consolidated Shares have been allotted and issued by the Company at an issue price of $0.20 each to the Family Trust Company as the Vendor's nominee;

1.4.3 51,500,000 new Consolidated Shares have been allotted and issued by the Company at an issue price of $0.20 each to the Vendor;

1.4.4 at the direction of the Vendor, 5,500,000 new Consolidated Shares have been allotted and issued by the Company an issue price of $0.20 each to Chong Lee Ching as the Advisor's nominee;

1.4.5 24,000,000 new Consolidated Shares at an issue price of $0.20 each have been allotted and issued to Bin Tai; and

1.4.6 the total issued and paid-up share capital of the Company will increase from 3,681,544 Consolidated Shares (disregarding any fractions of Consolidated Shares arising from the Proposed Share Consolidation) to 169,681,544 Consolidated Shares, being the enlarged issued and paid-up share capital of the Company after the allotment and issuance of the Consideration Shares, the Transaction Costs Shares and the Settlement Shares.

1.5 The Consideration Shares, Transaction Costs Shares and Settlement Shares are expected to be listed and quoted on the official list of the SGX-ST Catalist with effect from 9.00 a.m. on 20 February 2019.

1.6 As disclosed in the Circular, Bin Tai will be undertaking the Proposed Bin Tai Placement immediately after the completion of the Proposed Acquisition in order for the Company to comply with the public float requirement under Catalist Rule 406(1).

1.7 Pending the completion of the Proposed Bin Tai Placement, trading of the Consolidated Shares has been suspended with effect from 9.00 a.m. on 18 February 2019. Trading will resume after the Proposed Bin Tai Placement is completed and the Company is in compliance with the public float requirement under Catalist Rule 406(1). Based on the indicative timetable set out in the Circular, the Proposed Bin Tai Placement may take 2 to 3 months to be completed. The Company will update Shareholders as appropriate in due course.

2. RECONSITUTION OF THE BOARD AND BOARD COMMITTEES

2.1 Following the completion of the Proposed Acquisition, Mr. Lim Siau Hing @ Lim Kim Hoe, Mr. Lim Vhe Kai and Mr. Koh Boon Huat have been appointed as directors of the Company with effect from 18 February 2019. Mr. Goh Yeow Tin and Mr. Yap Boh Pin have been re-elected as directors of the Company on the New Board. Tan Sri Dato' Kamaruzzaman Bin Shariff, Mr. Ong Puay Koon, Mr. Ong Choon Lui and Mr. Wong Heang Fine have resigned from the Board with effect from 18 February 2019.

2.2 The details of the appointment of the New Directors are set out in the announcements separately released by the Company on 18 February 2019.

2.3 The composition of the Board effective from 18 February 2019 is as follows:

2.3.1 Mr. Lim Siau Hing @ Lim Kim Hoe as Executive Chairman;

2.3.2 Mr. Lim Vhe Kai as Executive Director and Chief Executive Officer;

2.3.3 Mr. Goh Yeow Tin as Lead Independent Director;

2.3.4 Mr. Yap Boh Pin as Independent Director; and

2.3.5 Mr. Koh Boon Huat as Independent Director.

2.4 Following the reconstitution of the Board, the Nominating Committee, the Remuneration Committee and the Audit Committee of the Company have been reconstituted respectively effective from 18 February 2019, as follows:

2.4.1 <u>Nominating Committee</u>
Mr. Goh Yeow Tin (Chairman)
Mr. Yap Boh Pin
Mr. Koh Boon Huat

2.4.2 Remuneration Committee
Mr. Koh Boon Huat (Chairman)
Mr. Yap Boh Pin
Mr. Goh Yeow Tin

2.4.3 Audit Committee
Mr. Yap Boh Pin (Chairman)
Mr. Goh Yeow Tin
Mr. Koh Boon Huat

3. REPORTING OF FINANCIAL STATEMENTS ON A HALF YEARLY BASIS

3.1 As at the financial year ended 31 December 2018, the Company announced its financial statements on a quarterly basis in accordance with Catalist Rule 705(2).

3.2 Upon consultation with the SGX-ST, the Board wishes to announce that following the completion of the Proposed Acquisition and with effect from the financial year ending 31 December 2019, the Company will be announcing its financial statements on a half yearly basis in accordance with Rule 705(3)(b) instead, taking into account that the market capitalisation of the Company upon completion of the Proposed Acquisition will not exceed S$75 million. Notwithstanding this, the Company will continue to be subject to the requirements under Catalist Rule 705(2)(c).

4. NEW PRINCIPAL PLACE OF BUSINESS AFTER COMPLETION

Following the completion of the Proposed Acquisition, the new principal place of business of the Company is located at No. 3A Jalan Wawasan 16, Kawasan Perindustrian Sri Gading, 83000 Batu Pahat, Johor, Malaysia. The registered office of the Company will remain at 80 Robinson Road, #02-00, Singapore 068898.

5. CHANGE IN REPORTING AND FUNCTIONAL CURRENCY OF THE COMPANY

5.1 In connection with the consolidation of the financial statements of the Enlarged Group following Completion, the Board also wishes to announce that the reporting and functional currency of the Company's financial statements will be changed from Singapore Dollars (S$) to Malaysian Ringgit (RM).

5.2 The Company considers RM to be the most appropriate reporting and functional currency which best reflects the circumstances of the Enlarged Group given that following Completion, the core business of the Enlarged Group would comprise of the Target Business whose principal place of business is Malaysia.

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 enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company, and all other matters referred to in this announcement, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board of Directors
KTMG LIMITED

Lim Vhe Kai
Executive Director and Chief Executive Officer
18 February 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**").*

The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the Exchange and the Exchange 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 Ms. Alicia Sun (Telephone: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.