LERENO BIO-CHEM LTD.
(Company Registration No. 197401961C)
(Incorporated in the Republic of Singapore)

WAIVER TO OPEN ESCROW ACCOUNT (THE "WAIVER") - RECEIPT OF WAIVER FROM COMPLIANCE WITH CATALIST RULE 1017(1) FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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1. INTRODUCTION

1.1. The Board of Directors (the "**Board**") of Lereno Bio-Chem Ltd. (the "**Company**") refers to the announcements dated 17 November 2015 and 11 December 2015 (the "**Announcements**"). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Announcements.

1.2. Further to the Announcements, the Board is pleased to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has on 16 March 2016 granted the Company a waiver from compliance with Catalist Rule 1017(1)(a) to open the Escrow Account.

2. REASONS FOR SEEKING A WAIVER TO OPEN THE ESCROW ACCOUNT

2.1 As at the date of the application to the SGX-ST for the Waiver (the "**Application Date**") and the date of this Announcement, The Company and its wholly-owned subsidiary, MAE Engineers Pte. Ltd., has an aggregate negative cash position. Pursuant to Rule 1017(1)(a) of the Catalist Rules, the Company would have to place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) into the Escrow Account. After deducting the Company's monthly committed payments, the Company would have a negative cash balance in its account. Accordingly, the Company would not have any cash to deposit into the Escrow Account when the Escrow Account is opened.

2.2 As at the Application Date and the date of this Announcement, the Company depends on monthly cash contributions by its controlling shareholder, Mr. Ong Puay Koon ("**Mr. Ong**"). The payments incurred by the Company comprise mostly fixed operation expenses and are unlikely to vary from month to month. The Company confirms that Mr. Ong's future contributions will only be used for future operating expenses of the Company.

2.3 In addition, the opening of the Escrow Account which involves the appointment of an escrow agent and professional advisers to review the escrow agreement would also incur unnecessary costs for the Company. In view of the Company's negative cash position, and the Company's financial difficulty, the Audit Committee and the Board of Directors of the Company, is of the view that the Waiver is in best interests of the Company and its minority shareholders.

3. CAUTION IN TRADING

Shareholders should note that SGX-ST reserves the right to:

(i) suspend trading of securities should the Company fail to comply with Rule 1017(1) as it deems fit; and

(ii) amend/vary the above confirmation as it deems fit and the above confirmation is subject to changes in the SGX-ST's policies.

Shareholders and investors of the Company are advised to exercise caution when dealing in the Shares. In the event of any doubt as to the actions they should take, they should consult their stockbrokers, solicitors or other professional advisors.

By Order of the Board of Directors
LERENO BIO-CHEM LTD.

Ong Puay Koon
Managing Director and Chief Executive Officer
17 March 2016

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor 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.

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