

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

**DISPOSAL OF INTEREST IN ASSOCIATED COMPANY
— COMPLETION OF DISPOSAL IN LERENO SDN BHD**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Lereno Bio-Chem Ltd. (the “**Company**”) refers to the announcement dated 21 May 2015 (the “**Announcement**”) in connection with the Company’s disposal of its 38% equity interest in an associated company, Lereno Sdn Bhd (the “**Disposal**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Announcement.
- 1.2 Further to the Announcement, the Board wishes to announce that the Company received confirmation on 17 November 2015 from the corporate secretarial agent of Lereno Sdn Bhd in Malaysia that the Disposal was completed on 17 August 2015.

2. RULE 1017 OF THE CATALIST RULES

- 2.1 Pursuant to the Disposal, the Company has ceased to have any operating subsidiaries or businesses and becomes with effect from 17 August 2015, a cash company as defined under Rule 1017 of Section B: Rules of Catalist (the “**Catalist Rules**”) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
- 2.2 Pursuant to Rule 1017(1) of the Catalist Rules, the Company’s securities (the “**Shares**”) would normally be suspended from trade until such time the Company has a business which is able to satisfy SGX-ST’s requirements for a new listing, and all relevant information has been announced. Upon completion of the disposal of its operations and/or assets, the Company must do the following:
- (a) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the Company) (the “**Escrow Amount**”) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders of the Company (the “**Shareholders**”) and pro-rata distributions to Shareholders; and
 - (b) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNET.

Taking the above compliance into account, the SGX-ST may allow continued trading in a cash company’s securities on a case-by-case basis, subject to:

- (c) contractual undertakings from the Company’s directors, controlling shareholders, chief executive officer and their associates, to observe a moratorium on the transfer or disposal of all their interests, direct and indirect, in the securities of the Company; and
- (d) the period of the moratorium must commence from the date the Shareholders approve the disposal of business, up to and including the completion date of the acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing.

- 2.3 Shareholders should note that the SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may (through its sponsor) apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the Company will be removed from the Official List and a cash exit offer in accordance with Rule 1308 should be made to its shareholders within 6 months.

3. APPOINTING AN ESCROW AGENT

- 3.1 In compliance with Rule 1017(1)(a) of the Catalist Rules, the Company will enter into an escrow agreement with an escrow agent (the “**Escrow Agent**”) pursuant to which the Escrow Amount will be placed with the Escrow Agent. The Company will update Shareholders upon the opening of the escrow account with the Escrow Agent.
- 3.2 Pursuant to Rule 1017(1)(a) of the Catalist Rules, the Escrow Amount cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders.

4. CONTINUED TRADING OF THE COMPANY’S SECURITIES

- 4.1 The Company has announced on 30 June 2015 that it has entered into two (2) sale and purchase agreements to acquire ordinary shares representing 60% of the issued and paid-up capital of HTwo Education Holdings Pte. Ltd.. Accordingly, the Company will be making an application to the SGX-ST (via the Company’s sponsor) to maintain its listing status and to continue the trading of the Shares on the Catalist. The Company’s management will continue to oversee the affairs of the Company (including periodic reporting requirements pursuant to Rule 1017(b) of the Catalist Rules).
- 4.2 The Company will make further announcements to update shareholders as and when appropriate.

5. CAUTION IN TRADING

- 5.1 The Board wishes to remind the Shareholders that there is no assurance that the SGX-ST will not suspend the trading and listing of the Shares or that the Company will be able to acquire a new business that meets the SGX-ST’s requirements for a new listing within the timeframe prescribed by the SGX-ST.
- 5.2 Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

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

Ong Puay Koon
Managing Director and Chief Executive Officer
17 November 2015

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.

The contact person for the Sponsor is:-

Name: Ms Amanda Chen, Registered Professional, RHT Capital Pte. Ltd.
Address: Six Battery Road #10-01, Singapore 049909
Tel: 6381 6757