



**Leader Environmental Technologies Limited**  
**利德环保技术有限公司**  
(Incorporated in the Republic of Singapore on 15 August 2006)  
(Company Registration Number: 200611799H)

---

**SUBSCRIPTION OF NEW SHARES IN JSE ENGINEERING PTE.LTD.**

---

**1. Introduction**

The Board of Directors of Leader Environmental Technologies Limited (hereinafter referred to as “**Company**” and “**Group**” refers to the Company and Jilin Anjie Environmental Engineering Co., Ltd, the Company’s wholly-owned subsidiary in the People’s Republic of China) is pleased to announce that the Company had on 8 October 2012 entered into the following agreements in relation to JSE Engineering Pte. Ltd (the “**JSE Engineering**”).

**(a) The Subscription Agreement**

The Company, had entered into a subscription agreement with JSE Engineering and Fuji Offset Plates Manufacturing Ltd (the “Fuji Offset”) (the “**Subscription Agreement**”), pursuant to which:

- (i) the Company agreed to subscribe and JSE Engineering agreed to allot and issue an aggregate of 50,000 shares in the issued and paid-up share capital in JSE Engineering (the “**New Shares**”) in two (2) tranches (the “**Subscription**”), for a total cash consideration of S\$500,000 (“**Consideration**”). The New Shares will in aggregate constitute 20% of the entire enlarged share capital of JSE Engineering upon completion of the Proposed Subscription.
- (ii) Subject to the Subscription Agreement, the completion for the first tranche subscription of S\$290,000 shall take place, on the business day following the date on which the Company has been notified the satisfaction of the conditions set out in the Subscription Agreement (the “**First Completion**”). The completion for the second tranche subscription of S\$210,000 shall take place either on the date of the first customer contract or one (1) year from the date of the

Subscription Agreement, whichever is earlier, subject to further conditions percent stated in the Subscription Agreement (the “**Second Completion**”).

**(b) Shareholders’ Agreement**

Further to the Subscription Agreement, the Company has entered into a shareholders’ agreement with JSE Engineering, and other shareholders of JSE Engineering, pursuant to which, Mr Lim Poh Yeow, the chief financial officer of the Company, will be nominated as one of the directors of JSE Engineering.

**2. Information of JSE Engineering**

JSE Engineering was incorporated in Singapore on 14 March 2012 and is primarily engaged in the business of research on membrane applications, membrane manufacturing and other engineering works, trading, supply, installation and commission of water and waste treatment plants. With the proceeds received from the Subscription, JSE Engineering will undergo further development works to build prototype and the manufacture of highly hydrophilic and Oleophobic Hollow Fiber or flat membrane for the purpose of separating oil from water with a high resistance to oil fouling.

Following completion of the Subscription, JSE Engineering will become an associated company of the Company. The Company and Fuji Offset will hold 20% and 40% of the enlarged share capital in JSE Engineering respectively. The remaining 40% of the enlarged share capital will be held by the existing shareholders of JSE Engineering.

**3. Consideration**

The Consideration was fully satisfied in cash and financed through internal resources of the Company. The Consideration was negotiated at arm’s length between the parties and arrived at after taking into account, amongst others, the net book value of SGD86,000 as at 8 October 2012 and future growth potential of JSE Engineering, together with valuations of similar membrane companies in the industry.

**4. Relative Figures Computed Pursuant to Rule 1006 of the Listing Manual of the SGX-ST**

All relative figures of this Subscription, based on the Company’s audited consolidated financial statements for the financial year ended 31 December 2011, computed pursuant to Rule 1006 of the SGX-ST Listing Manual are less than 5% and accordingly this Subscription constitutes a non-discloseable transaction under Chapter 10 of the SGX-ST Listing Manual.

**5. Financial Effects**

The Subscription is not expected to have any material impact on the earnings per share and net tangible assets of the Company and the Group for the current financial year.

**6. Interest of Directors and Controlling Shareholders**

None of the Directors or controlling shareholders of the Company or their associates has any direct or indirect interest in the above Subscription, save in respect of their shareholdings (if any) in the Company.

By Order of the Board

Lin Baiyin

Executive Chairman and Chief Executive Officer

10 October 2012

*The initial public offering of the Company was sponsored by Stirling Coleman Capital Limited ("Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.*