



**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)**

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**PROPOSED CHANGE OF AUDITORS**

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The Board of Directors of Leader Environmental Technologies Limited (the “Company”, together with its wholly-owned subsidiary in the PRC, both collectively referred to as the “Group”) refers to the Circular dated 1 November 2012 (the “Circular”) in relation to the proposed change of auditors from Messers Ernst & Young LLP (“E&Y”) to Messrs Foo Kon Tan Grant Thornton LLP (“FKT”) (the “Proposed Change of Auditors”).

With the economic slowdown, the Company has been compelled to enhance its cost saving efforts. In connection therewith, the Company has, in addition to seeking E&Y’s fee quote, approached several audit firms, and found FKT to be competitive in terms of, among other factors, the fee proposal.

The Directors, in consultation with the audit committee of the Company, having reviewed the fee proposal of FKT, its proposed audit arrangements, and the credentials and experience of the proposed audit team of FKT who will be tasked to carry out the Company’s audit, are of the opinion that FKT will be able to fulfill the audit requirements of the Company in the light of the nature, size and complexity of the Group’s operations.

E&Y has given its notice of resignation as the external auditors of the Company on 16 October 2012 and FKT has given its consent to be appointed as the external auditors of the Company on 30 October 2012, subject to the approval of the Company’s shareholders in the extraordinary general meeting scheduled on 16 November 2012.

In accordance with Rule 1203(5) of the Singapore Exchange Securities Trading Limited Listing Manual (“Listing Manual”):-

- (a) the outgoing auditors, E&Y, has confirmed that it is not aware of any professional reasons why FKT should not accept the appointment as auditors of the Group;
- (b) the Company confirms that there were no disagreements with E&Y on accounting treatments within the last twelve (12) months;
- (c) the Company confirms that it is not aware of any circumstances connected with the change of external auditors that should be brought to the attention of the shareholders which has not been disclosed in the Circular;

- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Section 2.1 of the Circular; and
- (e) the Company confirms that it has complied with Rule 712, Rule 715 and Rule 716 of the Listing Manual in relation to the appointment of FKT.

The Directors wish to express their appreciation for the past services rendered by E&Y.

The Circular together with a notice of the extraordinary general meeting has been dispatched to the shareholders of the Company on 1 November 2012.

By Order of the Board

Lin Baiyin  
Executive Chairman and Chief Executive Officer

6 November 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.