



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 NANO SUN 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 19 July 2013 entered into a conditional subscription agreement (“**Subscription Agreement**”) with Nano Sun Pte. Ltd. (“**Nano Sun**”), pursuant to which:

- (i) the Company agreed to subscribe and Nano Sun agreed to allot and issue an aggregate of twenty (20) shares in the issued and paid-up share capital in Nano Sun (“**New Shares**”) (“**Subscription**”), for a total cash consideration of S\$1,000,000 (“**Consideration**”). The New Shares will in aggregate constitute 20% of the issued and paid up ordinary share capital of Nano Sun upon completion of the Subscription. The Consideration shall be fully paid up on the date of completion of the Subscription (“**Completion**”); and
- (ii) on Completion, the Company will enter into a shareholders’ agreement with other shareholders of Nano Sun, pursuant to which, the Company will be entitled to nominate one (1) person for appointment to the board of directors of Nano Sun and may at any time terminate such appointment.

Completion is conditional upon the satisfaction of the conditions precedent as stipulated in the Subscription Agreement.

2. Information on Nano Sun

Nano Sun was incorporated in Singapore on 7 May 2013 and is primarily engaged in the business of developing and marketing different types of technology of producing and

fabricating TiO₂ membrane and microsphere for purposes of, *inter alia*, treatment of waste water and purification of water. The proceeds received from the Subscription will be utilised as follows:

- (i) acquire new machinery, equipment and furnace; and
- (ii) office and staff overheads.

Subsequent to Completion, Nano Sun will become an associated company of the Company which owns 20% of the issued and paid up ordinary share capital of Nano Sun. The Company will update shareholders with regard to Completion via appropriate announcement on the SGX Net.

3. Consideration

The Consideration will be fully satisfied in cash after the signing of the Subscription Agreement and financed via proceeds raised from the recent placement as announced on 25 June 2013. The Consideration was negotiated at arm's length between the parties and arrived at after taking into account, amongst other things, the net book value of Nano Sun of S\$500 as at 18 July 2013 and the future growth potential of Nano Sun, together with valuations of similar membrane companies in the industry.

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

All relative figures of this Subscription, based on the Company's unaudited consolidated financial statements for the first quarter ended 31 March 2013 and the Company's market capitalisation as at 18 July 2013, 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 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 Subscription, save in respect of their shareholdings (if any) in the Company.

7. Documents for Inspection

The Subscription Agreement is available for inspection at the registered office of the Company, at 36 Armenian Street, #06-12 Singapore 179934, during normal business hours, for a period of three (3) months commencing from the date of this Announcement.

By Order of the Board

Lin Baiyin

Executive Chairman and Chief Executive Officer

19 July 2013

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.