



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)

PROPOSED PLACEMENT OF 24,000,000 NEW ORDINARY SHARES

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Leader Environmental Technologies Limited (the “**Company**” and together with its subsidiary, the “**Group**”) wishes to announce that the Company has on 25 August 2014 entered into separate private placement agreements (collectively, the “**Placement Agreements**” and each, a “**Placement Agreement**”) with five (5) placees (the “**Placees**”), the salient details of each Placement Agreement are as set out in the table below. Under the respective Placement Agreements, the Placees have agreed to subscribe for an aggregate of 24,000,000 new ordinary shares in the capital of the Company (the “**New Shares**” and each, a “**New Share**”) at the issue price of S\$0.05 per New Share (the “**Issue Price**”) amounting to an aggregate consideration of S\$1,200,000 subject to and upon the terms and conditions contained therein (the “**Proposed Placement**”). This announcement (the “**Announcement**”) is issued in connection with the Proposed Placement.

No.	Name of Placee	Number of New Shares Subscribed	Total Consideration Paid (S\$)
1.	Qiu Yu Hua	9,000,000	450,000
2.	Xu Han	5,960,000	298,000
3.	Tan Kuang Hui	5,000,000	250,000
4.	Wang Dong Ming	3,000,000	150,000
5.	Goh Bee Lan	1,040,000	52,000
	Total	24,000,000	1,200,000

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

Issue Price

The Issue Price of S\$0.05 for each New Share represents a discount of approximately 5.7% to the volume weighted average price of S\$0.053 for each ordinary share in the capital of the Company (the “**Shares**”) for trades done on the Shares on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 22 August 2014 (being the full market day immediately preceding the date on which the Placement Agreements were signed).

General Mandate and Changes in Capital

The Proposed Placement will be undertaken pursuant to the authority granted by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 25 April 2014 (the “**AGM**”) to issue not exceeding 263,979,500 Shares, being 50% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares that may be issued other than on a pro rata basis to existing Shareholders must not be more than 105,591,800 Shares, being 20% of the total number of Shares (excluding treasury shares) as at the date of the AGM (the “**General Mandate**”).

The Company has, as at the date of the AGM and also at the date of this Announcement, 527,959,000 issued and fully paid-up ordinary shares in its share capital. Therefore, the share capital base of the Company for the computation of the number of Shares which may be issued pursuant to the General Mandate is 527,959,000 Shares.

As at the date of this Announcement, the Company has not utilised the General Mandate obtained at the AGM and the issued share capital of the Company (in terms of the number of Shares) remains as 527,959,000 Shares. As such and pursuant to the General Mandate, the maximum number of new Shares which may be issued other than on a pro rata basis to existing Shareholders is 105,591,800.

When completed, the Proposed Placement will increase the issued and paid-up share capital of the Company (in terms of the number of Shares) to 551,959,000.

The number of New Shares to be issued under the Proposed Placement represents 4.5% of the total number of issued Shares as at the date of the AGM (excluding treasury shares) and as such, falls within the limits of the General Mandate.

Upon the completion of the Proposed Placement, the Placees will in aggregate hold approximately 4.3% of the enlarged issued and paid-up share capital of the Company.

Conditions Precedent

The Proposed Placement is subject to certain conditions precedent more particularly set out in the respective Placement Agreements. Such conditions precedent include but is not limited to the following:

- (a) the approval granted by the SGX-ST for the listing and quotation of the New Shares on the SGX-ST, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the respective Placees; and
- (b) the transactions contemplated in the Placement Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the dates of the Placement Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the respective Placees.

Others

The Company will be submitting an application to the SGX-ST for the listing and quotation of the New Shares on the Main Board of the SGX-ST. The Company will make the necessary announcement(s) on the outcome of the application in due course.

The Proposed Placement does not result in a transfer of controlling interest in the Company.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Shares except for any dividend, right, allotment or other distribution accruing on a record date which falls on or before the date of issue of the New Shares.

3. ABOUT THE PLACEES

No.	Name of Placee	Background of the Placee	Details on how the Placee was identified	Rationale for Placee's subscription
1.	Qiu Yu Hua	Ms Qiu Yu Hua is a resident of the People's Republic of China (the "PRC") who is involved in gaming and coal mine businesses in the PRC.	A business acquaintance of the Company's Executive Chairman and Chief Executive Officer, Mr Lin Baiyin ("Mr Lin")	Personal investment purposes
2.	Xu Han	Ms Xu Han is a PRC resident and a full-time investor.	A business acquaintance of Mr Lin	Personal investment purposes
3.	Tan Kuang Hui	Mr Tan Kuang Hui is a citizen of Singapore and a Chartered Accountant.	A business acquaintance of Mr Lin	Personal investment purposes
4.	Wang Dong Ming	Mr Wang Dong Ming is a PRC resident. He was previously involved in the timber business in the PRC. He is currently pursuing his post-graduate studies in medicine to qualify as a doctor.	A business acquaintance of Mr Lin	Personal investment purposes
5.	Goh Bee Lan	Ms Goh Bee Lan is a citizen of Singapore. She has been a shareholder of the Company since its initial public offering.	A business acquaintance of Mr Lin	Personal investment purposes

Pursuant to the respective Placement Agreements, each Placee has represented, warranted and confirmed that:

- (a) on completion of the Proposed Placement, such Placee will legally and beneficially hold the New Shares and such Placee is not subject to instructions from third parties as to the exercise of such Placee's rights in respect of those New Shares;
- (b) such Placee is subscribing for the New Shares purely for investment purposes;
- (c) such Placee does not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812 of the Listing Manual of the SGX-ST;
- (d) other than being co-investors in the Company, such Placee is not in any way related to the other Placees;

- (e) such Placee is not in any agreement, arrangement or understanding with any Placee or any other shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company and such Placee is not acting in concert (as defined in the Singapore Code on Takeovers and Mergers) with any Placee or any shareholder of the Company; and
- (f) such Placee has no connections (including business relationship) with the Company, its directors (the **"Directors"**) and its substantial Shareholders.

The Company had attempted to raise funds from an institutional fund company and other potential investors, but was not successful. With limited fund-raising options available, especially in this challenging capital markets environment, Mr Lin approached his business acquaintances. Upon arms-length negotiations, the Placees agreed to participate in the Proposed Placement.

No placement agent has been appointed by the Company in respect of the Proposed Placement. No placement commission will be payable in respect of the Proposed Placement.

4. USE OF PROCEEDS

Assuming all the 24,000,000 New Shares are fully issued, the Proposed Placement will raise gross proceeds of S\$1,200,000 and net proceeds of S\$1,157,200 (after deducting estimated expenses of approximately S\$42,800) (the **"Net Proceeds"**).

The Company intends to utilise the Net Proceeds for the sole purpose of funding its operating expenses in Singapore.

Pending utilisation, the Net Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or marketable securities, or used for any other purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Company and the Shareholders.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Placement as and when such proceeds are materially disbursed and will provide a status report on the use of such proceeds in its annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. The Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in such announcements and annual reports.

5. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:

- (a) the Group's latest consolidated audited financial statement for the year ended 31 December 2013;
- (b) the financial impact on the consolidated net tangible assets (the **"NTA"**) per Share of the Group is computed based on the assumption that the Proposed Placement was completed on 31 December 2013 and in relation to the Group's consolidated earnings per Share (the **"EPS"**), computed based on the assumption that the Proposed Placement was completed on 1 January 2013; and
- (c) there is full subscription of the New Shares.

Loss Per Share	Weighted average number of fully-paid ordinary shares	RMB cents/share
Before Proposed Placement	509,250,593	(20.25)
After Proposed Placement	533,250,593	(19.34)

Net Tangible Assets Per Share	Total number of fully-paid ordinary shares	RMB cents/share
Before Proposed Placement	527,959,000	59.50
After Proposed Placement	551,959,000	57.92

The financial effects of the Proposed Placement on the Group are for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Group after the completion of the Proposed Placement.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company (other than in their capacity as Directors or Shareholders of the Company) has any interest, direct or indirect, in the Proposed Placement.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Placement will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Placement, and the Company and its subsidiary and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors have been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each Placement Agreement will be made available for inspection during normal business hours at the Company's registered office address at 36 Armenian Street, #06-12, Singapore 179934 for a period of three (3) months commencing from the date of this Announcement.

10. TRADING CAUTION

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfillment of, *inter alia*, the conditions precedent set out above and accordingly, should exercise caution when trading in the Shares of the Company. Persons who are in doubt as to the action they should take should consult their legal financial, tax or other professional advisers.

By order of the Board

Lin Baiyin
Executive Chairman and Chief Executive Officer

26 August 2014