



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)

ENTRY INTO FRAMEWORK AGREEMENT

Jilin Anjie Environmental Engineering Co., Ltd. (吉林安洁环保有限公司) (“**Jilin Anjie**”), a wholly-owned subsidiary of Leader Environmental Technologies Limited (“**Company**”), has entered into a framework agreement (“**Framework Agreement**”) for the potential acquisition of equity interest in Nanjing Guanyang New Energy Co., Ltd. (南京冠阳新能源有限公司) (“**Nanjing Guanyang**”) from its existing shareholders, namely, Messrs Chen Kun (陈坤) and Shi Hai Bo (时海波) (collectively “**Vendors**”).

The Company and its subsidiaries (collectively “**Group**”) currently provide environmental protection solutions in the People’s Republic of China, and are principally engaged in the research and development, design, manufacturing, assembly, installation and support services of environmental protection systems. The Group is keen to access the expertise and technologies of Nanjing Guanyang in solar photovoltaic systems and products, encompassing the provision of clean, sustainable and environmentally friendly energy, and which systems and products are complementary to the Group’s core businesses related to environmental protection solutions.

Under the Framework Agreement, the potential acquisition is subject to, amongst other things, satisfactory due diligence on and valuation of Nanjing Guanyang, and agreement between the parties on the acquisition price and the percentage of equity interest to be acquired (which is contemplated to be not less than 90% of the total equity interests in Nanjing Guanyang).

Subsequent to execution of the Framework Agreement, Jilin Anjie and the Vendors have commenced negotiations on the terms of definitive share transfer agreements, concurrently with due diligence on and valuation of Nanjing Guanyang. Pending finalisation of the definitive share transfer agreements, the Vendors have granted exclusivity to Jilin Anjie such that they will not, directly or indirectly, enter into discussion, negotiation or reach any agreement or arrangement in any form with any third party (other than Jilin Anjie) in connection with the acquisition of equity interests in Jilin Anjie.

In consideration of the Vendors entering into the Framework Agreement and providing access for purposes of the due diligence and valuation, Jilin Anjie will make a deposit payment of RMB2.0 million to the Vendors, which deposit amount shall be secured by share pledges over the Vendors' interests in Nanjing Guanyang. The deposit amount will be applied against the acquisition consideration amount, and is otherwise fully refundable if completion of the acquisition does not take place for whatever reason.

The Company will continue to keep shareholders updated on material developments relating to the potential acquisition.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Framework Agreement or the potential acquisition.

A copy of the Framework 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

2 February 2015