



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 AN AGGREGATE OF 51,300,000 NEW ORDINARY SHARES IN THE CAPITAL OF LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED ("PROPOSED PLACEMENT")

1. INTRODUCTION

The Board of Directors ("**Directors**" or "**Board**") 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 ("**PRC**") wishes to announce that the Company has on 22 June 2015 entered into placements agreements ("**Placement Agreements**") with each of the placees set out in paragraph 2.3 of this announcement ("**Placees**"), pursuant to which the Placees will subscribe for, and the Company will allot and issue to the Placees, an aggregate of 51,300,000 new ordinary shares ("**Placement Shares**") in the capital of the Company at an issue price of S\$0.045 per Placement Share ("**Issue Price**"), amounting to an aggregate consideration of S\$2,308,500.

The Proposed Placement is to be undertaken by way of a private placement pursuant to Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the allotment and issue of the Placement Shares.

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

2.1 Issue Price

The Issue Price represents a discount of 10.00% to the weighted average price of the Company's shares ("**Shares**") of S\$0.050 based on trades done on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 15 June 2015, being the last full market day preceding the date on which the Placement Agreements were signed.

The Company fully intends to comply with the applicable minimum trading price requirement set by the SGX-ST. The Company intends to undertake a share consolidation to comply with such requirement and expects to obtain the approval of the shareholders of the Company ("**Shareholders**") for the share consolidation at an extraordinary general meeting to be convened immediately after the next annual general meeting to be held in April 2016.

2.2 Placement Shares

The Placement Shares are to be issued pursuant to the general share issue mandate approved and granted by Shareholders at the annual general meeting of the Company held on 27 April 2015 ("**AGM**"), whereunder the Directors are authorised to issue on a *pro rata* basis to existing Shareholders, not more than 275,979,500 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 110,391,800 Shares, being 20% of the total number of issued Shares (excluding treasury Shares) as at the date of the AGM.

The Placement Shares represent approximately 9.29% of the total number of issued Shares in the capital of the Company of 551,959,000 as at the date of this announcement. Assuming that all the 51,300,000 Placement Shares are issued, on completion of the Proposed Placement, the number of issued Shares in the capital of the Company will increase to 603,259,000 and the Placement Shares will represent approximately 8.50% of the issued share capital of the Company on an enlarged basis.

The Placement Shares are to be issued by the Company free from all charges, liens and other encumbrances and shall, upon allotment and issue, rank *pari passu* in all respects with, and carry all rights similar to, the existing issued Shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Proposed Placement.

2.3 Information on the Placees

The number of Placement Shares allocated to each of the Placees and the consideration payable by each Placee to the Company for the Placement Shares allocated to him/her are as follows:

Name of Placees	Number of Placement Shares	Consideration Payable (S\$)
Xu Li Nan	18,400,000	828,000
Xu Xiao Yan	8,900,000	400,500
Li Qing Xiang	8,900,000	400,500
Che Wen Jing	5,200,000	234,000
Wang Dong Ming	4,400,000	198,000
Yang Yu Guang	3,300,000	148,500
Goh Bee Lan	2,200,000	99,000
Total	51,300,000	2,308,500

The Placees are mainly business contacts and acquaintances of the Company's Executive Chairman and Chief Executive Officer, Mr Lin Bai Yin. The Placees, who will be the legal and beneficial owners of their respective Placement Shares, are subscribing for their respective Placement Shares for investment purposes. No commission or other payment is to be made to Mr Lin Bai Yin for introducing the Placees to subscribe for their respective portions of the Placement Shares.

Upon completion of the Proposed Placement, none of the Placees will be interested in more than 5% of the enlarged issued and paid-up share capital of the Company.

Ms Xu Li Na, Ms Xu Xiao Yan and Mr Li Qing Xiang are PRC residents and are high net worth private investors. As at the date of this announcement, they do not own any Shares in the Company.

Ms Che Wen Jing is a PRC resident and is an artiste from the PRC. As at the date of this announcement, she owns approximately 0.41% of the issued and paid up share capital of the Company.

Mr Wang Dong Ming is a PRC resident and is a practising doctor from the PRC. As at the date of this announcement, he owns approximately 1.13% of the issued and paid up share capital of the Company.

Mr Yang Yu Guang is a PRC resident and is currently a businessman from the PRC. As at the date of this announcement, he owns approximately 0.56% of the issued and paid up share capital of the Company.

Ms Goh Bee Lan is a Singapore citizen and has been a Shareholder of the Company since its initial public offering. As at the date of this announcement, she owns approximately 4.95% of the issued and paid up share capital of the Company.

The Placees are not related in any way to each other and, to the best of the Company's knowledge, there is no agreement, arrangement or understanding between themselves and any other Placee or Shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Placees are not parties acting in concert with any other Placee or Shareholder of the Company, as defined in The Singapore Code on Take-Over and Mergers.

Under the Placement Agreements, the Placees have represented and warranted to the Company that they do not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812(1)(a) to (d) of the Listing Manual of the SGX-ST.

The Company has not appointed any placement agent in connection with the Proposed Placement and therefore, no placement commission will be payable in connection with the Proposed Placement.

2.4 Conditions Precedent

Completion of the Proposed Placement is conditional upon:

- (a) the approval of the SGX-ST for the listing of and quotation for the Placement Shares being obtained, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Placees;
- (b) the transactions contemplated in the Placement Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to either the Company or the Placees; and
- (c) the representations, warranties and undertakings by the Company and the Placees remaining true and correct in all material respects and each of them having performed all of his/her obligations under the Placement Agreements to be performed on or before completion of the Proposed Placement.

If any of the conditions is not satisfied on or before 15 July 2015, the Proposed Placement will not proceed.

2.5 Additional Listing Application

The Company will be submitting an application to the SGX-ST for the listing of and the quotation for the Placement Shares on the Main Board of the SGX-ST. The Company will make the necessary announcement(s) once the approval in-principle for the listing of and quotation for the Placement Shares on the Main Board of the SGX-ST has been obtained from the SGX-ST.

3. PURPOSES OF ISSUE AND USE OF PROCEEDS

Assuming that all the Placement Shares are successfully allotted and issued, the Proposed Placement will raise gross proceeds of S\$2,308,500 and net proceeds of approximately S\$2,255,000 (after deducting estimated expenses of approximately S\$53,500) ("**Net Proceeds**").

The Company intends to use the Net Proceeds from the Proposed Placement in the estimated proportions and amounts as set out below:

Use of proceeds	Percentage of allocation (%)	Amount allocated (S\$)
Construction and operation of new energy generation (solar photovoltaic, wind and hydro), water management and other related environmental projects.	59.87	1,350,000
General working capital of the Company	40.13	905,000

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities or used for any other purpose as the Directors may in their absolute discretion deem fit.

The Company will make announcement(s) on the utilisation of the Net Proceeds of the Proposed Placement as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's annual report (and subsequent annual reports, if applicable) until such time the proceeds from the Proposed Placement have been fully utilised.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

As at the date of this announcement, the issued and paid-up share capital of the Company is RMB211,449,000 comprising 551,959,000 Shares. Assuming that all the 51,300,000 Placement Shares are issued, on completion of the Proposed Placement, the issued and paid-up share capital of the Company will increase to RMB221,948,596 comprising 603,259,000 Shares.

Based on the latest audited consolidated financial statements of the Group for the year ended 31 December 2014:

- (a) assuming the Proposed Placement was completed on 1 January 2014 with all the Placement Shares being in issue during the period, the basic earnings per share of the Group after adjusting for the Placement Shares will remain unchanged at RMB0.02 cents; and
- (b) assuming the Proposed Placement was completed on 31 December 2014, the net tangible asset value per share of the Group after adjusting for the Placement Shares and the Net Proceeds of the Proposed Placement will decrease from RMB57.95 to RMB54.76.

The financial effects of the Proposed Placement set out above 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.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement.

6. 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, 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.

7. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

8. DOCUMENTS FOR INSPECTION

A copy of each of the Placement Agreements 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 OF DIRECTORS OF
LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED**

Lin Bai Yin
Executive Chairman and Chief Executive Officer

23 June 2015