



**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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**RESPONSE TO QUERY FROM SGX-ST**

The Board of Directors of Leader Environmental Technologies Limited ("the Company" or together with its subsidiaries, the "Group") refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 April 2016 regarding the disclosure of information in the Corporate Governance Report and would like to provide its response as follows:

**SGX's Query:**

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report.

The Exchange noted that the Annual Report did not disclose the Board's comments on the effectiveness of the aforementioned internal controls. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please disclose the Board's comment on the effectiveness of the Company's internal controls addressing financial, operational, compliance and information technology controls, and risk management systems. Otherwise, please explain the reason(s) for the deviation from the Code.

**Company's response:**

The Board's comment on the effectiveness of the internal controls of the Company is as follows:-

"The Board has taken into account the internal controls established and maintained by the Group, work performed by the independent external and internal auditors (which did not highlight any major areas of concern requiring immediate actions by the Board), regular reviews carried out by Management and Audit Committee as well as the aforementioned assurance received from the Chief Executive Officer, Finance Director and Chief Financial Officer. The Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls addressing financial, operational and compliance and information technology controls and risks management systems were adequate **and effective** during the year ended 31 December 2015".

**By Order of the Board**

Lin Bai Yin  
Executive Chairman and Chief Executive Officer

21 April 2016