



LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200611799H)

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF 589,767,200 NEW ORDINARY SHARES OF THE COMPANY (THE "RIGHTS ISSUE")

- RECEIPT OF APPROVAL-IN-PRINCIPLE ("AIP") FROM THE SGX-ST

Unless otherwise defined, all capitalised terms herein shall bear the same meanings as in the Company's announcement released on 12 June 2020 in relation to the Rights Issue ("**Earlier Announcement**").

The board of directors ("**Board**") of Leader Environmental Technologies Limited ("**Company**") refers to the Earlier Announcement.

Further to the Earlier Announcement, the Board is pleased to announce that the Company has today, 13 July 2020, received the AIP for the listing and quotation of 589,767,200 Rights Shares on the Mainboard of the SGX-ST.

The listing and quotation of the Rights Shares is subject to compliance with the following conditions:

- a) Compliance with the SGX-ST's listing requirements;
- b) The Company's Audit Committee instituting proper internal controls to monitor the use and disbursement of the unutilised funds raised from the previous placement and funds from the Proposed Rights Issue, including the addition of at least an Independent Director as one of the required signatories for the bank account where the unutilised funds from the previous placement are deposited;
- c) The net proceeds from the Proposed Rights Issue being placed in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore, where the draw-down from the escrow account needs to be approved by the Independent Directors and after the execution of agreements for the proposed investment and/or acquisitions;
- d) The Company's auditors' confirmation on the uses of net proceeds from the private placement in May 2020;
- e) Independent verification on the use and disbursement of proceeds of the unutilised funds raised from the previous placement and proceeds from the Proposed Rights Issue via a cash audit;
- f) Disclosure via an SGXNet Announcement of a statement from the Board of Directors on whether the Proposed Rights Issue is carried out in the best interests of the Company and the bases of such a view;
- g) Disclosure via the Company's financial statements on the uses of net proceeds from the Proposed Rights Issue; and

h) Submission of the following documents:-

- (i) A written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on the use of proceeds and in the annual report;
- (ii) A written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares; and
- (iii) A written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking shareholders who have given irrevocable undertakings have sufficient financial resources to fulfill their obligations under its undertakings.

The AIP is not an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

As disclosed in the Earlier Announcement, the Company is undertaking the Rights Issue to strengthen the financial position and capital base of the Group which will facilitate the Company in undertaking the change in strategic direction to transform the Group into a technology driven, comprehensive one-stop environmental solutions provider in line with the Strategic Review Recommendations. The proceeds from the Rights Issue will allow the Group to have stronger cash flow in order to undertake investment and/or M&A opportunities in the Focus Areas. In addition, the Rights Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company, if they choose to do so. In view of the foregoing, the Board of Directors are of the view that the Proposed Rights Issue is carried out in the best interests of the Company.

Further details of the Rights Issue will be made available in the Offer Information Statement to be despatched to Entitled Shareholders or otherwise disseminated in accordance with such laws and regulations as may be applicable, in due course. Further announcements on the Rights Issue will be made by the Company as and when appropriate.

BY ORDER OF THE BOARD

Dr Lin Yucheng
Executive Director
13 July 2020