

OFFER INFORMATION STATEMENT DATED 7 AUGUST 2020

(Lodged with Monetary Authority of Singapore (the "Authority") on 7 August 2020)

THIS DOCUMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

The securities offered are issued by Leader Environmental Technologies Limited (the "Company"), an entity whose shares are listed for quotation on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (the "PAL"), the Application Form for Rights Shares and Excess Rights Shares (the "ARE") and the Application Form for Rights Shares (the "ARS"), have been lodged with the Authority. The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST. The Rights Shares will be admitted to the Mainboard of the SGX-ST and the official listing of and quotation for the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited ("CDP") have been despatched. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The approval in-principle granted by the SGX-ST for admission to the Mainboard of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the "nil-paid" Rights, the Company, its subsidiaries and/or their securities.

Acceptance of applications will be conditional upon issue of the Rights Shares and upon listing of the Rights Shares on the Mainboard of the SGX-ST. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed.

Notification under Section 309B of the SFA – The Rights Shares (as defined herein) are classified as "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

This Offer Information Statement has been prepared solely in relation to the issue of the Rights Shares and shall not be relied upon by any other person or for any other purpose. After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issuance or sale of any securities on the basis of this Offer Information Statement.

Your attention is drawn to the section entitled "Risk Factors" of this Offer Information Statement which you should read carefully.



LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

(Company Registration No.: 200611799H)

(Incorporated in the Republic of Singapore on 15 August 2006)

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF 589,767,200 NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.015 (THE "ISSUE PRICE") FOR EACH RIGHTS SHARE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

Manager and Underwriter of the Rights Issue



Stirling Coleman Capital Limited

(Company Registration Number: 200105040N)

(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES:

Last date and time for splitting and trading of the provisional allotment of Rights	:	21 August 2020 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	27 August 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation of and payment for Rights Shares	:	27 August 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for application and payment for excess Rights Shares	:	27 August 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “**Definitions**” section of this Offer Information Statement.

For Entitled Depositors (which excludes Entitled Scripholders, SRS Shareholders and investors who hold Shares through a finance company or a Depository Agent), acceptances of the Rights Shares and/or (if applicable) applications for excess Rights Shares may be made through CDP or by way of Electronic Application.

For Entitled Scripholders, acceptances of the Rights Shares and/or (if applicable) applications for excess Rights Shares may be made through the Share Registrar, M&C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902.

For SRS Shareholders and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be done through their relevant approved banks which hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks with which they hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar and/or the Company, and/or by way of an Electronic Application will be rejected.

For Shareholders who have subscribed for or purchased Shares using their SRS Accounts, acceptances of their Rights Shares and (if applicable) applications for excess Rights Shares can only be made using, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts. Such Shareholders who wish to accept their Rights Shares and (if applicable) apply for excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept the Rights Shares and (if applicable) apply for excess Rights Shares. SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Information herein relating to investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using funds in their SRS Accounts) is provided in general terms only and such investors should consult their relevant approved banks with which they hold their SRS Accounts, respective finance companies or Depository Agents.

For investors who bought Shares under the CPFIS, acceptance of the Rights Shares and (if applicable) application for excess Rights Shares must be done through their respective CPF Approved Banks. Such investors are advised to provide their respective CPF Approved Banks with the appropriate instructions no later than the deadlines set by their respective CPF Approved Banks in order for their respective CPF Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date.

IMPORTANT NOTICE

For CPFIS Members, acceptances of the Rights Shares and (if applicable) application for excess Rights Shares can only be made using CPF Funds under the CPFIS, subject to applicable CPF rules and regulations. CPFIS Members who wish to accept the Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective CPF Approved Banks, where they hold their CPF investment accounts, to accept the Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with this Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, CPFIS Members can top-up cash into their CPF investment accounts before instructing their respective CPF Approved Banks to pay for the acceptance of their Rights Shares and (if applicable) applications for excess Rights Shares. For the avoidance of doubt, CPF Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, the Company and/or the Share Registrar, and/or by way of an Electronic Application will be rejected.

The existing Shares are listed and quoted on the Mainboard of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, the merits of the Rights Issue and the rights and liabilities attaching to the “nil-paid” Rights and the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial or other projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons consult their legal, financial, tax or other professional adviser before deciding whether to acquire any “nil-paid” Rights or the Rights Shares or invest in any Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue and/or the allotment and issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Manager and Underwriter. Save as may be expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the offer or issue of the “nil-paid” Rights or the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to

IMPORTANT NOTICE

the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders, renounees and Purchasers should take note of any such announcement or supplementary or replacement document and upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

None of the Company and Manager and Underwriter is making any representation or warranty to any person regarding the legality of an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares.

Neither the Company nor the Manager and Underwriter makes any representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the “nil-paid” Rights, the Rights Shares, the Shares, the Company and/or the Group or any other matter relating thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or acquire the “nil-paid” Rights, the Rights Shares and/or the Shares.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the “nil-paid” Rights, the Rights Shares and/or the Shares. Prospective applicants for the Rights Shares should rely on their own investigation of the financial condition and affairs of, and their own appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

Notwithstanding anything in this Offer Information Statement, this Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance of and subscription for the Rights Shares under the Rights Issue and may not be relied upon by any persons (other than Entitled Shareholders to whom this Offer Information Statement and its accompanying documents have been despatched (or disseminated in accordance with such laws or regulations as may be applicable) by the Company, their renounees and the Purchasers who are in each case entitled to accept and/or apply for Rights Shares in accordance with the terms and conditions of the Rights Issue), or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company or the Manager and Underwriter. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

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DEFINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires, have the following meanings:

“1Q”	:	The first financial quarter ended 31 March
“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“AGM”	:	The annual general meeting of the Company
“Announcement”	:	The announcement released by the Company on 12 June 2020 in relation to the Rights Issue
“ARE”	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the Mainboard of the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine of a Participating Bank
“Authority”	:	The Monetary Authority of Singapore
“Board”	:	The board of Directors of the Company for the time being
“Books Closure Date”	:	5.00 p.m. on 7 August 2020, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the Rights of the Entitled Shareholders under the Rights Issue
“Broker-linked Balance”	:	A sub-balance in a Securities Account that is linked to a Member Company such that the Member Company has control and rights over the securities contained in such sub-balance
“Business Day”	:	A day (other than a Saturday, Sunday or public holiday) on which banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited

DEFINITIONS

“Closing Date”	:	(a) 5.00 p.m. on 27 August 2020, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or Excess Application and payment and/or renunciation of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 9.30 p.m. on 27 August 2020, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or Excess Application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Company”	:	Leader Environmental Technologies Limited
“CPF”	:	Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations
“CPF Board”	:	The board of the CPF established pursuant to the Central Provident Fund Act (Chapter 36) of Singapore, as may be amended, modified or supplemented from time to time
“CPF Funds”	:	Monies standing to the credit of the CPF savings account of CPF members under the CPFIS
“CPF Investment Account”	:	An account opened by a member of the CPF with a CPF Approved Bank
“CPF Regulations”	:	The Central Provident Fund (Investment Schemes) Regulations and any other applicable regulations issued from time to time by the CPF Board or other relevant competent authority
“CPFIS”	:	CPF Investment Scheme
“CPFIS Member”	:	Persons who previously bought their Shares under the CPFIS
“Directors”	:	Directors of the Company as at the date of this Offer Information Statement

DEFINITIONS

“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for the excess Rights Shares made through an ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic application at ATMs as set out in this Offer Information Statement or on the ATM screens
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose (i) Share certificates are not deposited with CDP, (ii) Shares are registered in their own names and (iii) registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Company’s Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Excess Applications”	:	Applications by Entitled Shareholders of the Rights Shares in excess of their provisional allotments of Rights Shares
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company of 737,209,000 Shares (excluding treasury shares) as at the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Company’s Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	The financial year ended or ending 31 December, as the case may be
“General Offer Obligation”	:	The mandatory general offer obligation under the Singapore Code on Takeovers and Mergers

DEFINITIONS

“Group”	:	The Company and its Subsidiaries
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.015 for each Rights Share
“Latest Practicable Date”	:	3 August 2020, being the latest practicable date prior to the date of lodgement of this Offer Information Statement
“Letter(s) of Undertaking”	:	The letters of undertaking dated 11 June 2020 and 12 June 2020 executed by the Undertaking Shareholders in favour of the Company, pursuant to which the Undertaking Shareholders unconditionally and irrevocably undertake to subscribe and pay in full (or to procure subscription and payment) for their entire <i>pro rata</i> entitlement of Rights Shares (the “Undertaking Shares”), subject to the Scaling Provision
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
“Manager and Underwriter” or “Stirling Coleman”	:	Stirling Coleman Capital Limited
“Management and Underwriting Agreement”	:	The management and underwriting agreement dated 12 June 2020 entered into between the Company and the Manager and Underwriter in relation to the Rights Issue, details of which are set out in paragraph 7 of Part 6 of “Disclosure Requirements under the Sixteenth Schedule of The Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivative Contracts) Regulations 2018”
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Member Company”	:	A trading member of the SGX-ST
“Offer Information Statement”	:	This offer information statement and, where the context admits, the PAL, the ARE, the ARS and all accompanying documents including any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
“Participating Banks”	:	Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited, and each of them a “Participating Bank” , that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors for acceptances of the Rights Shares and/or Excess Applications

DEFINITIONS

“Placement”	:	The share placement exercise undertaken by the Company, which was completed on 29 May 2020, pursuant to which the Company issued 120,000,000 Shares at S\$0.015 for each placement share for aggregate gross placement proceeds of S\$1,800,000
“Provisional Allotment Letter” or “PAL”	:	The provisional allotment letter issued to the Entitled Scripholders, setting out the provisional allotments of Rights Shares under the Rights Issue
“PRC”	:	The People’s Republic of China
“Purchaser”	:	A purchaser of the Rights
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Share Registrar or with CDP in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Rights”	:	Rights to subscribe for four (4) Rights Shares for every five (5) Shares held by Shareholders as at the Books Closure Date
“Rights Issue”	:	The renounceable underwritten rights issue by the Company of 589,767,200 Rights Shares at an issue price of S\$0.015 for each Rights Share, on the basis of four (4) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Share(s)”	:	589,767,200 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Rights Trading Period”	:	The trading period of the Rights on a “nil-paid” basis
“RMB” or “Renminbi”	:	The lawful currency of the PRC
“Scaling Provision”	:	The scaling down of the subscription and/or excess applications for the Rights Shares by any of the Shareholders (including the Undertaking Shareholders) by the Company to avoid placing the relevant Shareholder in the position of incurring a General Offer Obligation as a result of other Shareholders not taking up their Rights Shares entitlements fully

DEFINITIONS

“ Securities Account ”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“ Securities and Futures Act ” or “ SFA ”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ SGXNet ”	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“ Share Registrar ”	:	M&C Services Private Limited
“ Share Transfer Books ”	:	The share transfer books of the Company
“ Shareholders ”	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“ Shares ”	:	Ordinary shares in the capital of the Company
“ SRS ”	:	Supplementary Retirement Scheme
“ SRS Account ”	:	An account opened by a participant in the SRS with an SRS Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment of the Rights Shares and/or Excess Rights Shares
“ SRS Approved Banks ”	:	Approved banks in which SRS Shareholders hold their accounts under the SRS
“ SRS Funds ”	:	Monies standing to the credit of the SRS accounts of SRS Shareholders under the SRS
“ SRS Shareholders ”	:	Shareholders under the SRS
“ Subsidiaries ”	:	Has the meaning ascribed to it in Section 5 of the Companies Act and “ Subsidiary ” shall be construed accordingly

DEFINITIONS

“Substantial Shareholder”	:	A person who has an interest in voting shares of the Company, the total votes attached to which is not less than 5% of the total votes attached to all the voting shares in the Company
“Undertaking Shareholders”	:	Lin Yucheng, Zhuo Jingming and Zhang Yulong
“Underwritten Rights Shares”	:	The 478,823,200 Rights Shares (being the number of Rights Shares other than the Undertaking Shares) that are underwritten by the Manager and Underwriter pursuant to the Management and Underwriting Agreement
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**concert parties**” and “**parties acting in concert**” shall have the respective meanings ascribed to them in the Code.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Any reference to the time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and Excess Application and payment) shall include such other dates(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Code, or the Listing Manual, or such statutory or regulatory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Code, or the Listing Manual, or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to “we”, “us” and “our” in this Offer Information Statement is a reference to the Group or any member of the Group as the context requires.

EXPECTED TIMETABLE OF KEY EVENTS

Shares trade ex-rights	:	6 August 2020 from 9.00 a.m.
Books Closure Date	:	7 August 2020 at 5.00 p.m.
Lodgement of the Offer Information Statement with the Authority	:	7 August 2020
Despatch (or dissemination in accordance with such laws or regulations as may be applicable) of the Offer Information Statement (together with the ARE or PAL, as the case may be) to Entitled Shareholders	:	13 August 2020
Commencement of trading of "nil-paid" rights	:	13 August 2020 from 9.00 a.m.
Last date and time for splitting rights	:	21 August 2020 at 5.00 p.m.
Last date and time for trading of "nil-paid" rights	:	21 August 2020 at 5.00 p.m.
Last date and time for acceptance and payment of Rights Shares	:	27 August 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks or an Accepted Electronic Service)
Last date and time for acceptance of and payment for Rights Shares by renounees	:	27 August 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks or an Accepted Electronic Service)
Last date and time for application and payment of excess Rights Shares	:	27 August 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications via the ATMs of Participating Banks or an Accepted Electronic Service)
Expected date for issuance of Rights Shares	:	3 September 2020
Expected date for the commencement of trading of Rights Shares	:	4 September 2020 from 9.00 a.m.
Expected date for refund of unsuccessful applications (if made through CDP)	:	4 September 2020

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST and the Manager and Underwriter, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any change to the above timetable through a SGXNet announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date, fractional entitlements to be disregarded. Entitled Shareholders may accept, decline, renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their “nil-paid” Rights, and are eligible to apply for excess Rights Shares.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders’ entitlements and will, together with provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy applications for excess Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

In the allotment of excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.

The Company will not make any allotment and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (including the Undertaking Shareholders) to avoid placing the relevant Shareholder in the position of incurring a General Offer Obligation as a result of other Shareholders not taking up their Rights Shares entitlements fully.

For Entitled Depositors (which excludes Entitled Scripholders, CPFIS Members, SRS Shareholders and investors who hold Shares through a finance company or Depository Agent), acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through CDP or by way of an Electronic Application. For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

For SRS Shareholders and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be done through their relevant approved banks which hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks with which they hold their SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of an Electronic Application will be rejected.

SRS Shareholders must use, subject to applicable SRS rules and regulations, SRS Funds to pay for the acceptance of their Rights Shares and (if applicable) application for excess Rights Shares. SRS Shareholders, who wish to accept their Rights Shares and (if applicable) apply for excess Rights Shares using SRS Funds, must instruct the relevant SRS Approved Banks to accept their Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement. SRS Shareholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights Shares and (if applicable) apply for excess Rights Shares. SRS Shareholders are advised to provide their respective SRS Approved Banks with the appropriate instructions no later than the deadlines set by their respective SRS Approved Banks in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. For the avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market.

For investors who bought Shares under the CPFIS, acceptance of the Rights Shares and (if applicable) application for excess Rights Shares must be done through their respective CPF Approved Banks. Such investors are advised to provide their respective CPF Approved Banks with the appropriate instructions no later than the deadlines set by their respective CPF Approved Banks in order for their respective CPF Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance by CPFIS Members of their provisional allotments of Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, the Share Registrar, the Company, and/or by way of an Electronic Application will be rejected.

For CPFIS Members, acceptances of the Rights Shares and (if applicable) application for excess Rights Shares can only be made using CPF Funds under the CPFIS, subject to applicable CPF rules and regulations. CPFIS Members who wish to accept the Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective CPF Approved Banks, where they hold their CPF investment accounts, to accept the Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with this Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, CPFIS Members can top-up cash into their CPF investment accounts before instructing their respective CPF Approved Banks to pay for the acceptance of their Rights Shares and (if applicable) applications for excess Rights Shares. For the avoidance of doubt, CPF Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, the Company and/or the Share Registrar, and/or Electronic Application will be rejected.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, not later than three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach the Share Registrar at 112 Robinson Road #05-01 Singapore 068902, not later than three (3) Market Days before the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and deposit their Share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the Share certificates with CDP or such later date as CDP may determine.

All dealings in and transactions of the Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are to be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and the application for excess Rights Shares, including the different modes of acceptances or application and payment, are contained in **Appendices B, C and D** of this Offer Information Statement and in the PAL, the ARE and the ARS.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, nil-paid Rights and Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of nil-paid Rights to any Securities Account, the receipt of any nil-paid Rights, or receipt of this Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Company reserves absolute discretion in determining whether any person may participate in the Rights Issue.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

2. Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have been lodged with the Authority in Singapore. This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents have not been and will not be despatched or disseminated to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

Foreign Shareholders who wish to be eligible to participate in the Rights Issue must register a Singapore mailing address with (i) CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or (ii) the Share Registrar, at 112 Robinson Road #05-01 Singapore 068902, as the case may be, not less than (3) Market Days before the Books Closure Date.

The Offer Information Statement and its accompanying documents will also not be despatched or disseminated to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him.

The Company further reserves the right to reject any acceptances of the Rights Shares and/or any application for excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the Share certificate(s) for the Rights Shares or which requires the Company to despatch the Share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation or warranty required by the terms of this Offer Information Statement, the ARE, the ARS or the PAL.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and, for Foreign Shareholders who have applied for CDP's Direct Crediting Service ("DCS"), credited directly to their designated bank accounts at their own risk, or in such other manner as they may have agreed with CDP for payment of any cash distributions. In the event they are not subscribed to CDP's DCS, any monies to be refunded will be retained by CDP and reflected under the cash transaction section of their CDP monthly account statement. This cash balance will be carried forward and will be automatically credited into their designated bank account once they apply for the DCS. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager and Underwriter, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager and Underwriter, the Share Registrar or CDP in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be used to satisfy Excess Applications (if any) or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager and Underwriter, the Share Registrar or CDP in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Entitled Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

1. Listing of and Quotation for the Rights Shares

Approval in-principle has been obtained from the SGX-ST on 13 July 2020 for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST subject to, *inter alia*, certain 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 placement and funds from the 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 placement are deposited;
- (c) The net proceeds from the 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 Authority, 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 Placement;
- (e) Independent verification on the use and disbursement of proceeds of the unutilised funds raised from the placement and proceeds from the Rights Issue via a cash audit;
- (f) Disclosure via an SGXNet announcement of a statement from the Board on whether the 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 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 fulfil their obligations under its undertakings.

TRADING

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the “nil-paid” Rights, the Shares, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Upon their listing and quotation on the Mainboard of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” and the “Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Rights Shares”, as the same may be amended from time to time. Copies of the above are available from CDP.

2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and/or (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept their provisional allotments of Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if applicable, the excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be forwarded by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with the Share Registrar, he must inform the Share Registrar of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the Share Registrar.

TRADING

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

3. Nil-Paid Rights Trading

Entitled Depositors who wish to trade all or part of their “nil-paid” Rights on the Mainboard of the SGX-ST can do so for the period commencing on 13 August 2020 from 9.00 a.m., being the date and time of commencement of the “nil-paid” Rights trading period, and ending on 21 August 2020 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last date and time of the “nil-paid” Rights trading period.

4. Trading of Odd Lots

Shareholders are to note that the Shares are quoted on the Mainboard of the SGX-ST in board lot sizes of 100 Shares. For the purpose of trading on the Mainboard of the SGX-ST, each board lot of Shares will comprise 100 Shares. Entitled Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).

Shareholders who hold odd lots of the Shares and who wish to trade in odd lots on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. The market for trading of such odd lots may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements.

In particular, in light of the ongoing coronavirus disease 2019 (“**COVID-19**”) pandemic and uncertainties in the global financial markets and their contagion effect on the real economy, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

The Group’s actual results may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be discussed in those statements.

Further, the Company and its related corporations, directors, officers, executives and employees disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

This Offer Information Statement may include market and industry data and information that have been obtained from, *inter alia*, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There is therefore no assurance as to the accuracy or completeness of such information. While reasonable steps have been taken to ensure that the information is extracted accurately, the Company and its related corporations, Directors, officers, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offer Information Statement.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% and 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1% in the Company in any six (6) month period, must extend a take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In general the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purpose of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotment of Rights Shares or the application for excess Rights Shares, should consult the Securities Industry Council and/or their professional advisers.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any Entitled Shareholders (including the Undertaking Shareholders) to avoid placing the relevant Shareholder in the position of incurring a General Offer Obligation as a result of other Shareholders not taking up their Rights Shares entitlement fully.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018**

PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

- 1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

Directors	Address
Lin Baiyin (Executive Chairman and CEO)	: c/o 38 Beach Road, #29-11 South Beach Tower, Singapore 189767
Lin Yucheng (Executive Director)	: c/o 38 Beach Road, #29-11 South Beach Tower, Singapore 189767
Lim Kuan Meng (Independent Director)	: c/o 38 Beach Road, #29-11 South Beach Tower, Singapore 189767
Mak Yen-Chen Andrew (Independent Director)	: c/o 38 Beach Road, #29-11 South Beach Tower, Singapore 189767
Lee Suan Hiang (Independent Director)	: c/o 38 Beach Road, #29-11 South Beach Tower, Singapore 189767

Advisers

- 2. Provide the names and addresses of:**
- (a) the issue manager to the offer, if any;**
 - (b) the underwriter to the offer, if any; and**
 - (c) the legal adviser for or in relation to the offer, if any.**

Manager to the Rights Issue	: Stirling Coleman Capital Limited 4 Shenton Way #07-03 SGX Centre 2 Singapore 068807
Underwriter to the Rights Issue	: Stirling Coleman Capital Limited 4 Shenton Way #07-03 SGX Centre 2 Singapore 068807
Legal Adviser in relation to the Rights Issue	: Bird & Bird ATMD LLP 2 Shenton Way #18-01 SGX Centre 1 Singapore 068804

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives being offered, where applicable.**

Share Registrar and Share Transfer Office : M&C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

Receiving Banker : The Bank of East Asia, Limited
Singapore Branch
60 Robinson Road
BEA Building
Singapore 068892

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018**

PART 3 – OFFER STATISTICS AND TIMETABLE

Offer Statistics

- 1. For each method of offer, state the number of the securities or securities-based derivative contracts being offered.**

Method of Offer	:	Renounceable underwritten rights issue of Rights Shares
Basis of Allotment	:	Four (4) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	589,767,200 Rights Shares
Issue Price	:	S\$0.015 for each Rights Share
Status of the Rights Shares	:	The Rights Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares

Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please refer to paragraphs 3 to 7 of this Part 3.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
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3. **State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and the application for excess Rights Shares, including the different modes of acceptances or application and payment, are contained in **Appendices B, C and D** to this Offer Information Statement and in the PAL, the ARE and the ARS.

It is not anticipated that the period for which the Rights Issue will be kept open will be extended or shortened. An announcement will be made via SGXNet if there are any such changes.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may upon consultation with its advisers and with the approval of the SGX-ST, and/or CDP, modify the timetable subject to any limitations under any applicable laws. In such event, the Company will publicly announce any modification through a SGXNet announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

4. **State the method and time limit for paying up for the securities or securities-based derivative contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares are payable in full upon acceptance and/or application. Details of the methods of payment for the Rights Shares are contained in **Appendices B, C and D** to this Offer Information Statement and in the PAL, the ARE and the ARS.

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, excess Rights Shares.

5. **State, where applicable, the methods of and time limits for –**
- (a) **the delivery of the documents evidencing title to the securities or securities-based derivative contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) **the book-entry transfers of the securities or securities-based derivative contracts being offered in favour of subscribers or purchasers.**

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The Rights Shares will be provisionally allotted to the Entitled Shareholders on or about 13 August 2020 by crediting the provisional allotments into the Securities Accounts of the respective Entitled Depositors or through the despatch (or dissemination in accordance with such laws or regulations as may be applicable) of the relevant PALs to the Entitled Scripholders, based on their respective shareholdings in the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their renounees with valid acceptances and successful applications of excess Rights Shares and who have, inter alia, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL and Share certificate(s) representing such number of Rights Shares will be sent to such Entitled Shareholders by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances and successful applications for excess Rights Shares, Share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, at their own risk, a notification letter stating the number of Rights Shares credited to their Securities Accounts.

Please refer to **Appendices B, C and D** to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivative contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable. No pre-emptive rights have been offered.

- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivative contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date through a SGXNet announcement to be posted on the internet on the SGX-ST's website at <http://www.sgx.com>.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

Manner of Refund

When any acceptance for Rights Shares and/or applications for excess Rights Shares is invalid or unsuccessful in full or in part, the amount paid on application, or the surplus application monies, as the case may be, will be refunded to the relevant Shareholder by CDP on behalf of the Company without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date at their own risk, by any one or a combination of the following:

- (a) where the acceptance and/or application had been made through Electronic Applications through an ATM, by crediting the relevant Shareholder's bank account with the relevant Participating Bank at the Shareholder's own risk, the receipt by such bank being a good discharge to the Company, the Manager and Underwriter and CDP of their obligations, if any, thereunder;
- (b) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent by ordinary post at the Shareholder's risk to the Shareholder's mailing address as recorded with the Share Registrar; and/or
- (c) where the acceptance and/or application had been made through CDP, and the relevant Shareholder has applied for CDP's Direct Crediting Service ("DCS"), by directly crediting the amount to be refunded to the designated bank account of the relevant Shareholder, or in such other manner as the relevant Shareholder may have agreed with CDP for the payment of any cash distributions, as the case may be. In the event the relevant Shareholder has not subscribed to CDP's DCS, any monies to be refunded will be retained by CDP and reflected under the cash transaction section of his CDP monthly account statement. This cash balance will be carried forward and will be automatically credited into his designated bank account once he applies for the DCS.

Please refer to **Appendices B, C and D** of this Offer Information Statement and the PAL, the ARE and the ARS (as the case may be) for further details.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
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PART 4 – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to paragraphs 2 to 7 of this Part 4.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

The Rights Issue is fully underwritten on a firm commitment basis. Based on the Existing Share Capital and assuming that no new Shares are issued on or prior to the Books Closure Date, the Company will issue 589,767,200 Rights Shares under the Rights Issue and the gross proceeds arising therefrom will be approximately S\$8.85 million.

On 8 June 2020, the Company announced that the Directors had adopted certain proposals and recommendations (the “**Strategic Review Recommendations**”) to expand the business of the Group in the treatment of municipal sludge, industrial wastewater treatment and production of equipment widely used in water and sludge treatment. In particular, the Company intends to move to a high-tech oriented business to differentiate itself from other environmental protection companies. In this regard, it intends to focus on municipal sludge treatment and disposal, and industrial wastewater treatment based on high-end membrane technologies. It also intends to position the Group as a premier integrated environmental services provider, particularly in China, offering a full spectrum of services including technical consulting, system integration, equipment and product supply, project investment, engineering design procurement and construction (“**EPC**”) and operational and maintenance (the “**Focus Areas**”).

The total estimated net proceeds of S\$8.70 million, arising from the allotment and issuance of all the Rights Shares, after deducting estimated costs and expenses of S\$0.15 million relating to the Rights Issue (the “**Net Proceeds**”), shall be solely utilised for investment and/or merger and acquisition (“**M&A**”) opportunities in the Focus Areas. The Group is in preliminary discussions with some target companies in this regard and will make the necessary announcements in accordance with its obligations under the SGX-ST Listing Manual once any such discussions are finalised.

All of the Net Proceeds will go to the Company.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses.**

Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

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. 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. The Net Proceeds arising from the allotment and issuance of the Rights Shares shall be solely utilised for investment and/or M&A opportunities in the Focus Areas.

Pending the deployment of the Net Proceeds raised from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, or used for investment in short-term loan related instruments, as the Directors may deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of the Net Proceeds from the Rights Issue as and when such proceeds are materially disbursed and will provide a status report on the use of Net Proceeds from the Rights Issue in the interim and full-year financial statements issued and in the annual report(s) of the Company, until such time the proceeds have been fully utilised. Where there is a material deviation in the use of Net Proceeds, the Company will announce the reasons for such deviation.

The Underwritten Rights Shares have been fully underwritten by the Manager and Underwriter and the Undertaking Shareholders have irrevocably undertaken to subscribe and pay in full and/or procure the subscription and payment in full for the Undertaking Shares.

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4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

Based on the intended use of proceeds as described in paragraph 3 of this Part 4 above, for each dollar of the gross proceeds from the Rights Issue, the estimated amount that will be allocated for the intended use and payment of costs and expenses incurred in relation to the Rights Issue are as follows:

Intended Use	Per S\$ of gross proceeds
Investment and/or M&A opportunities in the Focus Areas	0.98
Estimated costs and expenses	0.02
Total	1.00

5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.

The Net Proceeds shall be solely utilised for investment and/or M&A opportunities in the Focus Areas. As at the Latest Practicable Date, the Group is in preliminary discussions with some target companies in this regard and will make the necessary announcements in accordance with its obligations under the SGX-ST Listing Manual once any such discussions are finalised.

6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

Save for the payment of expenses incurred in relation to the Rights Issue, no Net Proceeds will be used to discharge, reduce or retire any indebtedness of the Group.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

7. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Pursuant to the Management and Underwriting Agreement, in consideration of the Manager and Underwriter's agreement to subscribe and/or procure subscriptions for the Underwritten Rights Shares, the Company will pay to the Manager and Underwriter an underwriting fee of S\$10,000, to be deducted from the proceeds of the Rights Issue before such proceeds are paid to the Company.

Information on the Relevant Entity

8. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity

Registered address	:	38 Beach Road, #29-11 South Beach Tower, Singapore 189767
Principal Place of Business	:	Room 1303 No. 5445 Lin He Street Economic Development Zone Changchun City Jilin Province The People's Republic of China
Tel	:	(86) 431 8678 7555
Fax	:	(86) 431 8678 5550
Email address	:	pohyeow@leaderet.com

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group

The Group is engaged in the research and development, design, manufacturing, assembly and installation of and provision of support services for environmental protection systems for industrial wastegas emissions and wastewater treatments. Its business segments include industrial wastegas treatment, industrial wastewater treatment, design and technical services, and operation and maintenance services. The Group operates in the People's Republic of China.

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(c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since -

(i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or

(ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published

The general development of the business of the Group in the three (3) most recent completed financial years up to the Latest Practicable Date is set out below. Shareholders are advised to refer to the related announcements released by the Company via SGXNet for further details.

Date	:	Significant Developments
FY2017 (1 January 2017 to 31 December 2017)		
24 January 2017	:	The Company announced the incorporation, by its wholly-owned subsidiary, Jilin Anjie Environmental Engineering Co., Ltd. (" Anjie "), of a wholly-owned subsidiary in the PRC, known as Linjiang City Anjie Environmental Co; Ltd.. Linjiang City Anjie Environmental Co; Ltd. is principally engaged in the construction, installation and operation and maintenance of environmental engineering projects, and the investment in and operation and maintenance of wastewater treatment projects, soil contamination controls and remediation works.
27 March 2017	:	The Company's wholly-owned subsidiary, Anjie increased its shareholding in Jilin Anjie New Energy Power Generation Co., Ltd. from 95.1% to 99.9%.
2 June 2017	:	The Company was notified by the SGX-ST that based on the re-assessment of the Company under the revised minimum trading price (" MTP ") rules; it would continue to be placed on the watch-list with effect from 5 June 2017.
27 October 2017	:	The Company's wholly-owned subsidiary, Anjie increased its contributions towards the issued and paid-up capital in Jilin Anjie New Energy Power Generation Co., Ltd. from RMB3.89 million to RMB4.39 million for the purpose of funding its operating expenses.

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22 November 2017	:	The Company's wholly-owned subsidiary, Anjie completed the disposal of its entire shareholding in Dunhuang Anjie New Energy Co., Ltd. for a consideration of RMB3.66 million. The Disposal is expected to result in a gain of approximately RMB1.4 million for the Group, taking into account the net asset value of the subsidiary.
19 December 2017	:	The Company announced that its wholly-owned subsidiary, Anjie, had successfully renewed its loan facilities from China Merchants Bank in respect of a loan amount of not more than RMB80.0 million for another one (1) year tenure commencing from 1 December 2017 under substantially the same terms and conditions. The purpose of the loan was to fund the working capital requirements of Anjie.
FY2018 (1 January 2018 to 31 December 2018)		
11 January 2018	:	The Company announced the resignation of Dr Kung Chi Kang as an Executive Director and Deputy CEO with effect from 11 January 2018.
22 January 2018	:	The Company announced the re-designation of Mdm Zang Linying from Executive Director to non-Executive Director and the relinquishment of her duties as Finance Director with effect from 22 January 2018. The duties and responsibilities of the overall financial management, accounting matters and administration functions of the Group were assumed by the Chief Financial Officer, supported by the newly-promoted finance manager.
3 May 2018	:	The Company announced the resignation of Mdm Zang Linying as a Non-Executive Director with effect from 3 May 2018.
13 June 2018	:	The Company's subsidiary, Jilin Anjie New Energy Power Generation Co., Ltd., changed its name to Jilin Anjie New Energy Group Co., Ltd. with effect from 11 June 2018. The principal activities of Jilin Anjie New Energy Group Co., Ltd. were expanded to include water pollution control, design and construction works relating to remediation of rivers and lakes, providing services as the main contractor for municipal public projects, soil pollution control and restoration services and heat supply engineering construction and design works.

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5 December 2018	:	The Company announced that its wholly-owned subsidiary, Anjie, had successfully renewed its loan facilities from China Merchants Bank in respect of a loan amount of not more than RMB55.0 million for another one (1) year tenure commencing from 21 November 2018 under substantially the same terms and conditions. The purpose of the loan was to fund the working capital requirements of Anjie.
7 December 2018	:	The Company announced that its wholly-owned subsidiary, Anjie, had converted RMB8.0 million of its advances to share capital in Jilin Anjie New Energy Group Co., Ltd. (the “ Conversion ”), following which its investment in Anjie New Energy Group Co., Ltd. increased from RMB4.4 million to RMB12.4 million. The Company’s effective interest in Anjie New Energy Group Co., Ltd. remained unchanged following the Conversion.
FY2019 (1 January 2019 to 31 December 2019)		
21 November 2019	:	The Company announced the resignation of Mdm Zhai Guihua as an Independent Non-Executive Director with effect from 21 November 2019.
2 December 2019	:	The Company announced that its wholly-owned subsidiary, Anjie, had successfully renewed its loan facilities from China Merchants Bank in respect of a loan amount of not more than RMB50.0 million. for another one (1) year tenure commencing from 2 December 2019 under substantially the same terms and conditions. The purpose of the loan was to fund the working capital requirements of Anjie.
FY2020 (1 January 2020 to the Latest Practicable Date)		
20 February 2020	:	The Company announced the appointment of Mr Liu Kaiyi as an Independent Non-Executive Director with effect from 20 February 2020.
3 March 2020	:	The Company entered into a placement agreement (the “ Placement Agreement ”) with Lin Yucheng and Zhang Yulong (collectively, the “ Placees ”) pursuant to which the Placees agreed to subscribe for, and the Company agreed to issue and allot, an aggregate 120,000,000 new ordinary shares in the capital of the Company (the “ Placement Shares ”) at a placement price of S\$0.015 for each Placement Share. The aggregate consideration paid by the Placees for the Placement was S\$1,800,000.

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10 March 2020	:	The Company announced that the SGX-ST had informed the Company that it had granted an extension of time of two (2) months until 29 June 2020 for the Company to hold its AGM for FY2019, subject to certain conditions.
9 April 2020	:	The Company received approval in-principle from the SGX-ST on 9 April 2020 for the listing and quotation of the Placement Shares, subject to certain conditions.
5 May 2020	:	The Company announced that the parties to the Placement Agreement had, on 5 May 2020, mutually agreed in writing to extend the cut-off date for satisfying the conditions precedent under the Placement Agreement.
14 May 2020	:	The Company announced that, due to the removal of the minimum trading price rule for Mainboard issuers with effect from 1 June 2020, it would no longer need to satisfy the exit criteria for removal from the watch-list and the requirement to provide quarterly updates pursuant to the Listing Manual.
28 May 2020	:	The Placement was approved by the Company's Shareholders at an extraordinary general meeting of the Company.
29 May 2020	:	Completion of the Placement took place and 120,000,000 Placement Shares were allotted and issued to the Placees for an aggregate consideration of S\$1,800,000.
1 June 2020	:	The Company announced the resignation of Mr Goh Kay Seng Edwin as an Independent Non-Executive Director with effect from 15 June 2020.
8 June 2020	:	The Company announced that the Directors had adopted certain proposals and recommendations, pursuant to the conduct of a strategic review, to expand the business of the Group in the treatment of municipal sludge, industrial wastewater treatment and production of equipment widely used in water and sludge treatment. In particular, the Company intends to move to a high-tech oriented business to differentiate itself from other environmental protection companies. In this regard, it intends to focus on municipal sludge treatment and disposal, and industrial wastewater treatment based on high-end membrane technologies. It also intends to position the Group as a premier integrated environmental services provider, particularly in China, offering a full spectrum of services including technical consulting, system integration, equipment and product supply, project investment, engineering design procurement and construction and operational and maintenance.

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8 June 2020	:	The Company announced the appointment of Dr Lin Yucheng and Mr Lim Kuan Meng as Executive Director and Independent Non-Executive Director, respectively, with effect from 8 June 2020.
12 June 2020	:	The Company announced that it was undertaking the Rights Issue.
13 July 2020	:	The Company announced that it had, on 13 July 2020, obtained the listing and quotation notice from the SGX-ST for the listing and quotation of Rights Shares.
16 July 2020	:	The Company announced the resignation of Mr Liu Kaiyi as an Independent Non-Executive Director with effect from 16 July 2020.
16 July 2020	:	The Company announced the appointment of Mr Lee Suan Hiang as an Independent Non-Executive Director with effect from 16 July 2020.
3 August 2020	:	The Company announced that the registered office address of the Company has been changed to 38 Beach Road, #29-11 South Beach Tower, Singapore 189767

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon

As at the Latest Practicable Date, the Company's equity capital and loan capital are as follows:

Issued and paid-up share capital : S\$46,856,510.991 divided into 737,209,000 Shares (excluding treasury shares)

Loan capital : Nil.

(e) where:

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date

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As at the Latest Practicable Date, based on the information in the Register of Substantial Shareholders maintained by the Company pursuant to the Companies Act, the Substantial Shareholders of the Company and the number of Shares in which they have an interest are as follows:

Name	Direct Interest	%	Deemed Interest	%
Jingold Resources Limited	207,304,000	28.12	–	–
Lin Baiyin ⁽¹⁾	1,000,000	0.14	207,304,000	28.12
Lin Yucheng	110,000,000	14.92	–	–

Note:

(1) Jingold Resources Limited is an investment holding company incorporated in the British Virgin Islands and is owned by Lin Baiyin. By virtue of Section 7 of the Companies Act, Cap. 50., Lin Baiyin is deemed interested in the Shares held by Jingold Resources in the Company.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group**

As at the date of this Offer Information Statement, the Directors are not aware that the Company or any of its Subsidiaries is engaged in any legal or arbitration proceedings (including those which are pending or known to be contemplated) which may have, or which have had in the twelve (12) months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) where any securities, securities-based derivative contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) if the securities, securities-based derivative contracts or equity interests have been issued for cash, state the prices at which the securities, securities-based derivative contracts have been issued and the number of securities, securities-based derivative contracts or equity interests issued at each price; or**
 - (ii) if the securities, securities-based derivative contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivative contracts or equity interests**

In connection with the Placement, the Company issued Shares at the issue price of S\$0.015 for each placement share.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be

Neither the Company nor any of its subsidiaries has entered into any material contracts (not being a contract entered into in the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgement of this Offer Information Statement.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The audited consolidated statements of comprehensive income of the Group for FY2017, FY2018 and FY2019 and the unaudited consolidated statements of comprehensive income of the Group for 1Q2019 and 1Q2020 are set out below. The Group's operations are principally conducted in the PRC. Accordingly, the consolidated financial statements have been prepared in Renminbi, being the functional currency of the Group.

	FY2017	FY2018	FY2019	1Q2019	1Q2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Audited	Audited	Audited	Unaudited	Unaudited
Revenue	119,838	53,818	37,239	2,711	5,235
Cost of sales	(96,285)	(39,675)	(27,821)	(2,163)	(4,378)
Gross profit	23,553	14,143	9,418	548	857
Financial income	127	31	22	1	5
Other income	10,310	40 ⁽¹⁾	146	105	32
Selling and distribution expenses	(2,311)	(2,522)	(1,291)	(602)	(309)
Administrative expenses	(13,820)	(16,088)	(10,461)	(2,510)	(2,850)
Finance costs	(4,139)	(4,435)	(5,877)	(1,198)	(1,312)
Other expenses	(299)	(1,589) ⁽¹⁾	(16,088)	(75)	125
Profit/(loss) before taxation	13,421	(10,420)	(24,131)	(3,731)	(3,452)
Taxation	(70)	119	(6)	–	(9)
Profit/(loss) after taxation	13,351	(10,301)	(24,137)	(3,731)	(3,461)
Other comprehensive income/(loss) after tax	–	–	–	–	–

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	FY2017 RMB'000 Audited	FY2018 RMB'000 Audited	FY2019 RMB'000 Audited	1Q2019 RMB'000 Unaudited	1Q2020 RMB'000 Unaudited
Total comprehensive income/(loss) for the year	13,351	(10,301)	(24,137)	(3,731)	(3,461)
Profit/(loss) attributable to:					
Owners of the parent	13,366	(10,297)	(24,133)	(3,730)	(3,461)
Non-controlling interests	(15)	(4)	(4)	(1)	–
	13,351	(10,301)	(24,137)	(3,731)	(3,461)
Total comprehensive income/(loss) attributable to:					
Owners of the parent	13,366	(10,297)	(24,133)	(3,730)	(3,461)
Non-controlling interests	(15)	(4)	(4)	(1)	–
	13,351	(10,301)	(24,137)	(3,731)	(3,461)
Earnings/(loss) per share – Basic and diluted (RMB cents)	2.17	(1.67)	(3.91)	(0.60)	(0.56)

Note:

(1) Recovery of bad debts and impairment allowances on trade receivables written-back (net), of which amounted to RMB717,000, were reclassified from other income and offset against other expenses so as to be consistent with the classifications in FY2019.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

(a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;

(b) earnings or loss per share; and

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- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivative contracts.

	FY2017	FY2018	FY2019	1Q2019	1Q2020
(a) Dividend per Share (cents)	-	-	-	-	-
(b) Earnings/(loss) per share – Basic and diluted before the Placement and the Rights Issue (RMB cents) ⁽¹⁾	2.17	(1.67)	(3.91)	(0.60)	(0.56)
(c) Earnings/(loss) per share – Basic and diluted after the Placement but before the Rights Issue (RMB cents) ⁽²⁾	1.81	(1.40)	(3.27)	(0.51)	(0.47)
(d) Earnings/(loss) per share – Basic and diluted after the Rights Issue (RMB cents) ⁽³⁾	1.01	(0.78)	(1.82)	(0.28)	(0.26)

Notes:

- (1) Calculated based on weighted average number of 617,209,000 Shares in issue in FY2017, FY2018, FY2019, 1Q2019 and 1Q2020 for basic and diluted EPS respectively.
- (2) Calculated based on note 1 above and adjusting for the issuance of 120,000,000 Shares during the Placement and assuming that the Placement had been completed at the beginning of each financial year/period and there is no income generated from the Net Proceeds.
- (3) Calculated based on note 2 above and adjusting for the issuance of 589,767,200 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period and there is no income generated from the Net Proceeds.

3. Despite paragraph 1 of this Part, where –

- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
- (b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

Not applicable. The audited financial statements in respect of the most recently completed financial year have been published and are made available on the SGX-ST's website at <http://www.sgx.com>.

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4. In respect of –

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected the profit or loss before tax of the Group. A summary of the operations, business and financial performance of the Group for FY2017, FY2018, FY2019, 1Q2019 and 1Q2020 is set out below:

FY2018 vs FY2017

The Group recorded total revenue of RMB53.8 million in FY2018, representing a decrease of RMB66.0 million or 55.1% over revenue recorded of RMB119.8 million in FY2017. The decrease in revenue was mainly attributed to an absence of new contracts secured for desulphurization as the Group shifted its focus towards dust elimination contracts due to intensifying competition in the desulphurization segment. In addition, lower spillover of uncompleted dust elimination contracts from FY2017 also pulled down the revenue in FY2018 as most contracts had been completed or neared completion. The decrease in the two (2) business segments' revenue of RMB78.8 million was partly offset by more work performed on industrial wastewater contracts of RMB12.6 million. Overall gross profit margin improved by 6.5%, from 19.7% in FY2017 to 26.2% in FY2018 because of better gross profit margins derived from certain dust elimination contracts in FY2018, which lifted the overall gross profit margin.

FY2019 vs FY2018

Total revenue decreased by RMB16.6 million or 30.8% in FY2019, from RMB53.8 million in FY2018 to RMB37.2 million in FY2019. The Group's dust elimination segment was the main drag on the overall performance of the Group as the revenue decreased by RMB28.8 million to RMB10.3 million in FY2019. In addition, the absence of revenue from the design, technical and others segment of RMB0.2 million also contributed to the Group's lower revenue in FY2019. The decrease was partly offset by increased revenue from the industrial wastewater segment of RMB12.4 million due to new contracts added. Overall gross profit margin decreased marginally by 1.0%, from 26.3% in FY2018 to 25.3% in FY2019 because of the lower than average gross profit margin derived from two smaller dust elimination contracts. However, the impact was cushioned by the better profit margin derived from certain large scale industrial wastewater contracts.

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1Q2020 vs 1Q2019

Total revenue increased by RMB2.5 million or 93.1%, from RMB2.7 million in 1Q2019 to RMB5.2 million in 1Q2020 because of higher amount of spillover work activities from the previous year's uncompleted industrial wastewater contracts of RMB3.8 million. Conversely, lower spillover of the previous year's uncompleted dust elimination contracts accounted for the decline in revenue of RMB1.3 million for the dust elimination segment. Overall gross profit margin decreased by 3.8%, from 20.2% in 1Q2019 to 16.4% in 1Q2020 due mainly to negative profit margin generated from a dust elimination contract. The contract is still in the midst of being finalised with the customer and could not be completed in time for the 1Q2020 results. The overall contract is expected to be profitable once the final settlement is completed.

Financial Position

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –

(a) the most recent completed financial year for which audited financial statements have been published; or

(b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of financial position of the Group as at 31 December 2019 and unaudited consolidated statement of financial position of the Group as at 31 March 2020 are set out below:

	Audited as at 31 December 2019 RMB'000	Unaudited as at 31 March 2020 RMB'000
ASSETS		
Current assets		
Cash and cash equivalents	9,707	4,931
Bank deposits pledged	1,525	3,000
Trade and other receivables	126,440	127,122
Contract assets	20,087	13,149
Prepayments	43	236
Inventories	934	934
	158,736	149,372

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	Audited as at 31 December 2019 RMB'000	Unaudited as at 31 March 2020 RMB'000
Non-current assets		
Investments in subsidiaries	–	–
Property, plant and equipment	8,630	8,318
Intangible assets	1,282	1,217
	9,912	9,535
Total assets	168,648	158,907
LIABILITIES		
Current liabilities		
Trade and other payables	56,961	53,764
Lease liabilities	323	328
Contract liabilities	5,691	4,215
Borrowings	50,000	50,000
Other liabilities	14,778	13,250
	127,753	121,557
Non-current liabilities		
Lease liabilities	459	375
	459	375
Total liabilities	128,212	121,932
NET ASSETS	40,436	36,975
Equity		
Capital and reserves		
Share capital	224,747	224,747
Reserves	(184,311)	(187,772)
	40,436	36,975
Non-controlling interests	–	–
Total equity	40,436	36,975

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6. The data referred to in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivative contracts;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivative contracts.

	As at 31 December 2019	As at 31 March 2020
NAV before the Rights Issue and the Placement (RMB'000)	40,436	36,975
Adjusted NAV before the Rights Issue but after the Placement (RMB'000) ⁽¹⁾	49,275	45,814
Adjusted NAV after the Rights Issue (RMB'000) ⁽²⁾	93,421	89,960
Before the Rights Issue and the Placement		
Total number of Shares	617,209,000	617,209,000
NAV per Share (RMB cents)	6.55	5.99
Before the Rights Issue but after the Placement		
Total number of Shares	737,209,000	737,209,000
Adjusted NAV per Share (RMB cents)	6.68	6.21
Immediately after the Rights Issue		
Total number of Shares	1,326,976,200	1,326,976,200
Adjusted NAV per Share (RMB cents)	7.04	6.78

Notes:

- (1) Calculated based on the aggregate of the NAV before the Rights Issue and the Placement and the net proceeds from the Placement of S\$1,742,000 or equivalent to approximately RMB8,839,000⁽³⁾.
- (2) Calculated based on the aggregate of the NAV before the Rights Issue but after the Placement and the Net Proceeds of S\$8,700,000 or equivalent to approximately RMB44,146,000⁽³⁾.
- (3) Converted at an exchange rate of S\$1: RMB5.0742 as at the Latest Practicable Date.

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Liquidity and Capital Resources

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –

(a) the most recent completed financial year for which financial statements have been published; and

(b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of cash flows of the Group for FY2019 and unaudited statement of cash flows of the Group for 1Q2020 are set out below:

	<u>FY2019</u> RMB'000 Audited	<u>1Q2020</u> RMB'000 Unaudited
Cash flows from operating activities:		
Loss before taxation	(24,131)	(3,452)
Adjustments for:		
Depreciation of property, plant and equipment	1,070	279
Amortisation of intangible assets	261	65
Loss/(gain) on disposal of property, plant and equipment	252	(34)
Allowance for impairments:		
– Contract assets	3,287	–
– trade receivables	3	–
– trade receivables no longer required	(1,642)	–
– retention monies	246	–
– advances to trade suppliers	12,553	–
– advances to non-trade suppliers	499	–
– tender deposits	1,138	–
	16,084	–
Finance costs	5,877	1,312
Interest income	(22)	(5)
Operating loss before changes in working capital:	(609)	(1,835)
Decrease in contract assets	18,468	6,938
Decrease in inventories	347	–
Decrease/(increase) in trade and other receivables	6,402	(682)
Decrease/(increase) in prepayments	14	(193)

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	FY2019 RMB'000 Audited	1Q2020 RMB'000 Unaudited
Decrease in contract liabilities	(382)	(1,476)
Increase/(decrease) in trade and other payables	376	(4,672)
Decrease in other liabilities	(4,685)	(1,528)
Cash generated from/(used in) operations	19,931	(3,448)
Income tax paid	(6)	(9)
Net cash generated from/(used in) operating activities	19,925	(3,457)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(14)	(11)
Proceeds from disposal of property, plant and equipment	451	78
Interest income received	22	5
Net cash generated from investing activities	459	72
Cash flows from financing activities		
Proceeds from bank borrowings	60,000	11,000
Repayments of bank borrowings	(64,860)	(11,000)
Repayments of third party loans	(10,249)	–
Repayments of lease liabilities	(238)	(89)
Proceeds from bills payable – net	335	1,475
Interest paid	(5,846)	(1,302)
Increase in bank deposits pledged	(335)	(1,475)
Net cash used in financing activities	(21,193)	(1,391)
Net decrease in cash and cash equivalents	(809)	(4,776)
Cash and cash equivalents at beginning of year/period	10,516	9,707
Cash and cash equivalents at end of year/period	9,707	4,931
Cash and cash equivalents represented by:		
Cash and bank balances	11,232	7,931
Less: bank deposits pledged	(1,525)	(3,000)
Cash and cash equivalents	9,707	4,931

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A review of the cash flow position for the Group for FY2019 is set out below:

The Group's cash and cash equivalents amounted to RMB9.7 million and RMB10.5 million as at 31 December 2019 and 31 December 2018, respectively, and accounted for approximately 6.1% and 5.2% of current assets as at the respective balance sheet dates. Net cash generated from operating activities was RMB19.9 million compared to net cash used in operating activities of RMB7.5 million in the prior year. This was due mainly to several refunds received from certain suppliers coupled with lower working capital requirements. Net cash generated from investing activities was RMB0.4 million. This was directly attributable to the proceeds received from the disposal of motor vehicles of RMB0.4 million. Net cash used in financing activities was RMB21.2 million. This was due mainly to the repayment of third-party loans of RMB10.2 million and repayment of bank borrowings of RMB4.9 million during the financial year. In addition, there was also interest paid of RMB5.8 million and principal repayment of lease liabilities amounting to RMB0.2 million during the financial year.

A review of the cash flow position for the Group for 1Q2020 is set out below:

As at 31 March 2020, net cash and cash equivalents decreased by RMB4.8 million as net cash used in operating activities was RMB3.5 million compared to net cash generated from operating activities of RMB21.2 million in 1Q2019. This was due mainly to lower refunds received from certain suppliers and higher working capital requirements. Net cash generated from investing activities was RMB72,000. This was attributed to proceeds from the disposal of property, plant and equipment of RMB78,000 and interest income received of RMB5,000, partly offset by the acquisition of property, plant and equipment of RMB11,000 during the financial period. Net cash used in financing activities was RMB1.4 million. This was attributed to repayments of bank borrowings of RMB11.0 million, an increase in bank deposits pledged to secure bills payable facilities of RMB1.5 million, interest paid of RMB1.3 million and the repayment of lease liabilities of RMB89,000, partly offset by proceeds from bank borrowings of RMB11.0 million and bills payable of RMB1.5 million during the financial period.

- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**

As at the date of lodgment of this Offer Information Statement, the Directors are of the reasonable opinion that, after taking into consideration the internal sources of funds available to the Group, the cash generated from the Group's business operations, the Group's present banking facilities, and the net proceeds to be raised under the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements and for at least the next 12 months.

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9. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

To the best knowledge of the Directors, as at the date of lodgement of this Offer Information Statement, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity.

Trend Information and Profit Forecast or Profit Estimate

10. **Discuss –**

- (a) **the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
- (b) **any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

The COVID-19 situation in the PRC is constantly evolving with a resurgence of Covid-19 cases reported in Beijing, PRC in June 2020. Due to the measures taken by the PRC government to contain the transmission of the virus, the outbreak has not significantly impacted the north eastern and western parts of China where the Group's current main operations are located. The Directors are of the view that, as compared with the Lunar New Year period, the situation in the PRC has improved despite the challenging business environment. Overall, the PRC economy remains weak, and it is too early to assess the full economic fallout resulting from the COVID-19 pandemic. In light of the tough economic climate and heightened business risks, the Company's management may take a more prudent approach so as not to commit too many resources to EPC contracts with longer durations. The management is currently reviewing its previous tender for a large scale industrial wastewater related contract as the tender result will be announced in due course.

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As at the Latest Practicable Date, the Group's outstanding order book stands at approximately RMB63.6 million.

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further details.

Save as disclosed above and in this Offer Information Statement, the Company's annual reports, circulars and public announcements, and barring unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the current financial year.

Please refer to **Appendix A** on "Risk Factors" for more information on factors which may affect the Group's revenue and financial performance.

- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

Not applicable. No profit forecast disclosed in this Offer Information Statement.

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14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

16. Disclose any event that has occurred from the end of –

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

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to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

Save as disclosed in the announcements which have already been released on SGXNet from time to time and/or in this Offer Information Statement, the Directors are not aware of any event which has occurred since the end of 1Q2020 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

Meaning of “published”

17. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNet.

Noted.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

PART 6 – THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities or securities-based derivative contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Issue Price for each Rights Share is S\$0.015, payable in full upon acceptance and application.

The expenses incurred in connection with the Rights Issue will not be specifically charged to the subscribers or purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

An administrative fee will be charged by the relevant Participating Banks for each successful application made through the ATMs of the Participating Banks, and such administrative fee will be borne by the subscribers of the Rights Shares.

- 2. If there is no established market for the securities or securities-based derivative contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Shares are, and the Rights Shares will be, traded on the Mainboard of the SGX-ST.

- 3. If –**

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivative contracts being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

Notwithstanding the above, each of the Undertaking Shareholders had on, 11 and 12 June 2020, given an irrevocable undertaking to subscribe for the Undertaking Shares.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the “**Eligibility of Shareholders to Participate in the Rights Issue**” section of this Offer Information Statement for further details.

- 4. If securities or securities-based derivative contracts of the same class as those securities or securities-based derivative contracts being offered are listed for quotation on any approved exchange –**
- (a) in a case where the first-mentioned securities or securities-based derivative contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivative contracts –**
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

The highest and lowest market prices and volume of the Shares traded on the SGX-ST for each of the last twelve (12) calendar months immediately preceding the calendar month in which the Latest Practicable Date falls and for the period from July 2019 to the Latest Practicable Date, are as follows:

Month	Price Range		Volume⁽³⁾
	High Price⁽¹⁾	Low Price⁽²⁾	('000)
	S\$	S\$	
July 2019	0.012	0.008	139,500
August 2019	0.012	0.007	634,700
September 2019	0.013	0.013	120,100
October 2019	0.013	0.010	326,100
November 2019	0.010	0.005	350,100
December 2019	0.019	0.004	1,069,200
January 2020	0.025	0.018	1,626,000
February 2020	0.026	0.026	73,000
March 2020	0.078	0.011	54,919,800
April 2020	0.055	0.050	13,933,800
May 2020	0.060	0.052	6,371,900
June 2020	0.070	0.055	11,217,600
July 2020	0.061	0.053	25,211,700
August 2020 to the Latest Practicable Date	0.057	0.057	3,905,700

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

Notes:

- (1) Based on highest closing market price for the Shares in a particular month/period.
- (2) Based on lowest closing market price for the Shares in a particular month/period.
- (3) Based on the daily volume of the Shares traded in a particular month/period.

Source: Bloomberg L.P. Bloomberg L.P. has not consented for the purposes of Section 249 and Section 277 of the SFA to the inclusion of the information above which is publicly available, and is thereby not liable for these statements under Section 253 and Section 254 of the SFA. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of these statements. The Company is not aware of any disclaimers made by Bloomberg L.P in relation to these quotes.

- (b) in a case where the first-mentioned securities or securities-based derivative contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivative contracts –**
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable. The Shares have been listed for quotation on the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.

- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivative contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivative contracts were first listed to the latest practicable date; and**

Save for the temporary trading halts to cater for the release of announcements by the Company on the SGXNet in accordance with the requirements of the Listing Manual, there has not been any significant trading suspension of the Shares on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.

- (d) disclose information on any lack of liquidity, if the securities or securities-based derivative contracts are not regularly traded on the securities exchange.**

Not applicable. The Shares are regularly traded on the Mainboard of the SGX-ST.

- 5. Where the securities or securities-based derivative contracts being offered are not identical to the securities or securities-based derivative contracts already issued by the relevant entity, provide –**
 - (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivative contracts being offered; and**

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivative contracts, to rank in priority to or *pari passu* with the securities or securities-based derivative contracts being offered.

Not applicable. The Rights Shares, upon allotment and issue, shall rank *pari passu* in all respects with the existing Shares and with each other, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.

The Rights Shares are to be issued pursuant to the ordinary resolution relating to the general share issue mandate approved by the Shareholders at the AGM held on 28 May 2020.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivative contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivative contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

The Rights Issue will be offered on a renounceable, underwritten basis by the Company to Entitled Shareholders at the Rights Issue Price of S\$0.015 per Rights Share on the basis of four (4) Rights Shares for every five (5) Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Based on the issued share capital of the Company as at the Latest Practicable Date of 737,209,000 Shares (excluding treasury shares), the Company will issue 589,767,200 Rights Shares.

The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST their provisional allotment of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors, may in their absolute discretion, deem fit in the interests of the Company.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

It is hereby disclosed and confirmed that, in the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for rounding of odd lots and allotment of excess Rights Shares. The Company will also not make any allotment and issue of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders to avoid placing the relevant Shareholder in the position of incurring a general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the “**Eligibility of Shareholders to Participate in the Rights Issue**” section of this Offer Information Statement for further details.

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, including **Appendices B, C and D** of this Offer Information Statement, the PAL, the ARE and the ARS.

The Rights Shares are not offered through the selling efforts of any broker or dealer.

- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivative contracts being underwritten by each underwriter.**

Management and Underwriting Agreement

The Underwritten Rights Shares, constituting approximately 81.2% of the total number of Rights Shares, have been underwritten by the Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement. Pursuant to the Management and Underwriting Agreement, in consideration of the Manager and Underwriter’s agreement to subscribe and/or procure subscriptions for the Underwritten Rights Shares, the Company will pay to the Manager and Underwriter an underwriting fee of S\$10,000, to be deducted from the proceeds of the Rights Issue before such proceeds are paid to the Company.

The Management and Underwriting Agreement is conditional upon certain events, including the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST (the “**Listing Approval**”) remaining in full force and effect, and there not having occurred any withdrawal, revocation or adverse modification of the Listing Approval.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

The Manager and Underwriter may, under the terms of the Management and Underwriting Agreement, terminate the agreement on account of, among other things, the occurrence of events involving a material adverse effect on the financial condition, prospects, assets, undertakings, business or results of operations of the Company or any of its Subsidiaries or its associated companies, whether or not arising in the ordinary course of business. The Manager and Underwriter may not terminate the Management and Underwriting Agreement for reason of a force majeure event on or after the commencement of the trading of the Shares ex-rights without consulting the SGX-ST on such termination.

Irrevocable Undertakings

As at the date of the Letters of Undertaking, the Undertaking Shareholders directly hold an aggregate of 138,680,000 Shares, representing approximately 18.8% of the Existing Share Capital.

Each of the Undertaking Shareholders has executed a Letter of Undertaking in favour of the Company, pursuant to which each of the Undertaking Shareholders unconditionally and irrevocably undertakes, *inter alia*:

- (a) to subscribe and pay in full for (or to procure subscription of and payment for) the Undertaking Shares, or such other number of Rights Shares which are provisionally allotted to the Undertaking Shareholder pursuant to the Rights Issue due to any changes after the date of Letters of Undertaking, at the Issue Price and in accordance with the terms of the Rights Issue, no later than the Closing Date, subject always that the number of Undertaking Shares of each Undertaking Shareholder shall not exceed such number that will result in it being in a position of incurring a General Offer Obligation;
- (b) that it or he will remain the beneficial owner of the Undertaking Shares that it or he owns or controls, during the period between the date of the Letters of Undertaking and the Books Closure Date, and will not sell, transfer or otherwise dispose of, any of the same or of any interest therein or otherwise subject the Undertaking Shares to any encumbrances, and will hold the Undertaking Shares free from any encumbrances, during such period;
- (c) that it or he has sufficient financial resources available to subscribe and pay for all the Undertaking Shares; and
- (d) that it or he will do all such acts and things and execute all such documents as may be required to give effect to the undertakings in the Letters of Undertaking.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

PART 7 – ADDITIONAL INFORMATION

Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report attributed to a person as an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

(a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

Not applicable. No statement has been made by an expert in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the Offer Information Statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**

Not applicable. No statement has been made by an expert in this Offer Information Statement.

Consents from Issue Managers and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

Stirling Coleman Capital Limited, the Manager and Underwriter of the Rights Issue, has given and has not, before the lodgement of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as the Manager and Underwriter to the Rights Issue with the inclusion herein of its name and all references hereto, in the form and context in which they are included in this Offer Information Statement.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity’s business operations or financial position or results; or**
 - (b) investments by holders of securities or securities-based derivative contracts in the relevant entity.**

Saved as disclosed in this Offer Information Statement and in the announcements made by the Company via the SGXNet, and to the best of their knowledge, the Directors are not aware of any other particulars of any other matters not disclosed under any other paragraph of this Offer Information Statement which could materially affect, directly or indirectly, the Company’s business operations or financial position or results or investments by the holders of securities in the Company.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018**

**PART 8 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR
UNITS OF DEBENTURES**

Not applicable.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018**

PART 9 – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVE CONTRACTS BY WAY OF RIGHTS ISSUE

1. Provide –

(a) the particulars of the rights issue

Number of Rights Shares	:	589,767,200 Rights Shares.
Basis of Provisional Allotment	:	The Rights Issue is made on a renounceable basis to Entitled Shareholders on the basis of four (4) Rights Shares for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S\$0.015 for each Rights Share, payable in full on acceptance and/or application.
Discount	:	The Issue Price represents a discount of approximately 72.73% to the closing price of S\$0.055 per Share for trades done on SGX-ST on 12 June 2020, being the last full Market Day on which trades of the Shares were done prior to the date of announcement of the Rights Issue on 12 June 2020.
Eligibility to participate	:	Please refer to the section entitled “ Eligibility of Shareholders to Participate in the Rights Issue ” of this Offer Information Statement.
Status of the Rights Shares	:	The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid on such Record Date which falls before the date of issue of the Rights Shares.
Listing of the Rights Shares	:	Approval in-principle has been obtained from the SGX-ST on 13 July 2020 for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST subject to, <i>inter alia</i> , compliance with the SGX-ST’s listing requirements.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

		<p>The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the “nil-paid” Rights, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.</p>
<p>Acceptance and Excess Application</p>	<p>:</p>	<p>Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their “nil-paid” Rights, and are eligible to apply for excess Rights Shares under the Rights Issue.</p> <p>Fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with the Rights Shares represented by the provisional allotments which are not allotted or taken up for any reason, be aggregated and used to satisfy applications (if any) for excess Rights Shares or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. Excess Rights Shares will be allotted in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Listing Manual. In the allotment of any excess Rights Shares, preference will be given to the Entitled Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.</p>

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

		The procedures for, and the terms and conditions applicable to, acceptances, renunciation, splitting, and/or sale of the “nil-paid” Rights and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are set out in Appendices B, C and D to this Offer Information Statement, and in the PAL, the ARE and the ARS.
Trading of the Rights Shares	:	Upon the listing of and quotation of the Rights Shares on the Mainboard of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of the Rights Shares (that is, less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the unit share market of the SGX-ST.
Trading of “Nil-Paid” Rights	:	Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST can do so during the trading period for the “nil-paid” Rights.
Scaling Provision	:	Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders to avoid placing the relevant Shareholder in the position of incurring a General Offer Obligation as a result of other Shareholders not taking up their Rights Shares entitlement fully.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

Letters of Undertaking	:	<p>The Undertaking Shareholders hold an aggregate of 138,680,000 Shares, representing approximately 18.8% of the Existing Share Capital. As an indication of their support and commitment to the Company, each of the Undertaking Shareholders has executed a Letter of Undertaking in favour of the Company, pursuant to which each of the Undertaking Shareholders unconditionally and irrevocably undertakes, <i>inter alia</i>:</p> <p>(a) to subscribe and pay in full for (or to procure subscription of and payment for) the Undertaking Shares, or such other number of Rights Shares which are provisionally allotted to the Undertaking Shareholder pursuant to the Rights Issue due to any changes after the date of Letters of Undertaking, at the Issue Price and in accordance with the terms of the Rights Issue, no later than the Closing Date, subject always that the number of Undertaking Shares of each Undertaking Shareholder shall not exceed such number that will result in it being in a position of incurring a General Offer Obligation;</p> <p>(b) that it or he will remain the beneficial owner of the Undertaking Shares that it or he owns or controls, during the period between the date of the Letters of Undertaking and the Books Closure Date, and will not sell, transfer or otherwise dispose of, any of the same or of any interest therein or otherwise subject the Undertaking Shares to any encumbrances, and will hold the Undertaking Shares free from any encumbrances, during such period;</p> <p>(c) that it or he has sufficient financial resources available to subscribe and pay for all the Undertaking Shares; and</p> <p>(d) that it or he will do all such acts and things and execute all such documents as may be required to give effect to the undertakings in the Letters of Undertaking.</p>
Underwritten basis	:	The Rights Issue will be fully underwritten on a firm commitment basis.
Governing Law	:	Laws of the Republic of Singapore.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018

- (b) The last day and time for splitting of the provisional allotment of the securities or securities-based derivative contracts to be issued pursuant to the rights issue**

The last date and time for the splitting of the provisional allotment of the Rights Shares is on 21 August 2020 at 5.00 p.m., unless otherwise announced by the Company on SGXNet.

- (c) The last day and time for acceptance of and payment for the securities or securities-based derivative contracts to be issued pursuant to the rights issue**

The last date and time for acceptance of and payment for the Rights Shares is on 27 August 2020 at 5.00 p.m. (and 27 August 2020 at 9.30 p.m. for Electronic Applications via ATMs of Participating Banks), unless otherwise announced by the Company on SGXNet.

- (d) The last day and time for renunciation of and payment by the renounee for the securities or securities-based derivative contracts to be issued pursuant to the rights issue**

The last date and time for renunciation of and payment by the renounee for the Rights Shares is on 27 August 2020 at 5.00 p.m. (and 27 August 2020 at 9.30 p.m. for Electronic Applications via ATMs of Participating Banks), unless otherwise announced by the Company on SGXNet.

- (e) The terms and conditions of the offer of securities or securities-based derivative contracts to be issued pursuant to the rights issue**

The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including **Appendices B, C and D**, and in the PAL, the ARE and the ARS.

- (f) The particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements**

Please refer to the section entitled “**Letters of Undertaking**” under paragraph 1(a) of this Part 10.

- (g) If the rights issue is or will not be underwritten, the reason for not underwriting the issue**

Not applicable. The Rights Issue will be fully underwritten on a firm commitment basis by the Manager and Underwriter.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES
UNDER APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL**

1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group as at 31 December 2017, 31 December 2018 and 31 December 2019 are set out below:

	Audited as at 31 December 2017 RMB\$'000	Audited as at 31 December 2018 RMB'000	Audited as at 31 December 2019 RMB'000
Total Current Assets	222,724	200,525	158,736
Total Current Liabilities	(158,729)	(146,895)	(127,753)
Net Current Assets	<u>63,995</u>	<u>53,630</u>	<u>30,983</u>

A review of the working capital of the Group as at 31 December 2017, 31 December 2018 and 31 December 2019 is set out below:

As at 31 December 2019 compared to 31 December 2018

The Group's current assets decreased from RMB200.5 million as at 31 December 2018 to RMB158.7 million as at 31 December 2019 mainly due to decrease in contract assets, trade and other receivables and cash and cash equivalents of RMB41.7 million in aggregate. Contract assets decreased by RMB21.7 million, from RMB41.8 million as at 31 December 2018 to RMB20.1 million as at 31 December 2019 due to progress billings and allowance for impairment based on the expected credit loss model. Trade and other receivables decreased by RMB19.2 million, from RMB145.6 million as at 31 December 2018 to RMB126.4 million as at 31 December 2019 attributed mainly to collections, refunds of deposits, allowance for impairments of trade, non-trade suppliers, retention monies and tender and security deposits as a result of the expected credit loss model application. The decrease was partly offset by higher retention monies due to completion of contracts, tenders for contracts and advances to suppliers of raw materials for contracts scheduled for the following financial year. In addition, cash and cash equivalents also decreased by RMB0.8 million during the financial year.

Current liabilities decreased from RMB146.9 million as at 31 December 2018 to RMB127.8 million as at 31 December 2019 mainly due to decrease in contract liabilities, borrowings and other liabilities of RMB20.2 million in aggregate, partly offset by increase in trade and other payables and lease liabilities of RMB1.1 million in aggregate. Contract liabilities decreased by RMB0.4 million, from RMB6.1 million as at 31 December 2018 to RMB5.7 million as at 31 December 2019 which was in line with the decrease in revenue. Borrowings decreased from RMB65.1 million as at 31 December 2018 to RMB50.0 million as at 31 December 2019 due to repayments of third party borrowings coupled with higher net repayments of bank borrowings as the loan quantum approved by the bank for working capital purposes was reduced by RMB5.0 million in FY2019.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL

As at 31 December 2018 compared to 31 December 2017

Current assets decreased from RMB222.7 million as at the end of 31 December 2017 to RMB200.5 million as at the end of 31 December 2018, mainly due to decrease in contract assets, bank deposits pledged and cash and cash equivalents of RMB24.7 million in aggregate, partly offset by higher trade and other receivables (comprising advances to trade and non-trade suppliers and a deposit paid to a trade supplier) of RMB2.5 million. Contract assets decreased by RMB17.4 million, from RMB59.2 million as at 31 December 2017 to RMB41.8 million as at 31 December 2018 which was attributed to progress billings and in line with the decrease in revenue. Bank deposits pledged decreased by RMB0.4 million due to no issuance of performance guarantee, partly offset by increased deposits to obtain an additional bills payable facility. In addition, cash and cash equivalents decreased from RMB17.4 million as at 31 December 2017 to RMB10.5 million as at 31 December 2018.

Current liabilities decreased from RMB158.7 million as at 31 December 2017 to RMB146.9 million as at 31 December 2018 mainly due to decrease in contract liabilities and other liabilities of RMB18.9 million in aggregate, partly offset by higher borrowings of RMB5.1 million and trade and other payables of RMB2.1 million. Contract liabilities decreased by RMB5.0 million, from RMB11.1 million as at 31 December 2017 to RMB6.1 million as at 31 December 2018 due to work performed on on-going contracts. Other liabilities, comprising accrued purchases, VAT, salaries and related expenses, other operating expenses, advances from customers and welfare expenses decreased from RMB33.4 million as at 31 December 2017 to RMB19.5 million as at 31 December 2018, which were in line with the decrease in business activities.

2. Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

Not applicable.

- 3. A responsibility statement by the financial adviser that, to the best of the financial adviser's knowledge and belief, this offer information statement constitutes full and true disclosure of all material facts about the Rights Issue, the issuer and its subsidiaries, and the financial adviser is not aware of any facts the omission of which would make any statement in this offer information statement misleading; and where this offer information statement contains a profit forecast, it is satisfied that the profit forecast has been stated by the directors after due and careful enquiry.**

Not applicable.

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To the best of the Directors' knowledge and belief, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the matters relating to the Rights Issue are set out below. The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develop into actual events, the business, financial conditions or results of operations of the Company and the Group could be materially and adversely affected. In such cases, the trading price of the Shares could decline and a prospective investor may lose all or part of his investment in the Shares.

RISKS RELATING TO THE GENERAL BUSINESS OF THE GROUP

The Group is subject to risks related to the outbreak of communicable diseases such as COVID-19

Outbreaks of communicable diseases such as COVID-19, severe acute respiratory syndrome, Middle East respiratory syndrome and/or other communicable diseases in the region or around the world could materially and adversely affect the Group's business.

As at 11 March 2020, the outbreak of the contagious disease, COVID-19, had affected 114 countries, including the PRC and Singapore and was declared as a pandemic by the World Health Organisation.¹ Unlike the severe acute respiratory syndrome (SARS) outbreak of 2003 which was largely limited to East Asia, the number of infected COVID-19 cases has exploded across the world, from Europe to the United States to Iran. The global economy is expected to contract in 2020 as a result of unprecedented measures taken by numerous countries to contain the disease.² The global COVID-19 outbreak has resulted in the lockdown of cities and various business operations around the world by governments.

As the COVID-19 situation is still evolving rapidly, there is no assurance that the spread of COVID-19 will be contained in the near term and the duration of the COVID-19 outbreak and its effects cannot be determined with certainty at present. As such, in the event that the containment of COVID-19 is not improved in the near term, resulting in a global economy recession, this may have a protracted negative impact on business activities in the PRC. This may lead to a fall in demand for the Group's environment protection services, and/or an impact on the Group's ability to operate its business and provide services to its customers, which could in turn have a material and adverse impact on its business, results of operations, financial condition and prospects.

1 This information is extracted from the press release entitled "WHO Director-General's opening remarks at the media briefing on COVID-19 – 11 March 2020" dated 11 March 2020, accessible at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>

The World Health Organization has not consented to the inclusion of the above information in this Offer Information Statement for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Information Statement in its proper form and context, they have not independently verified the accuracy of the relevant information.

2 This information is extracted from the report entitled "World Economic Outlook, April 2020: The Great Lockdown" dated 6 April 2020, accessible at <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

The International Monetary Fund has not consented to the inclusion of the above information in this Offer Information Statement for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Section 253 and 254 of the SFA. While the Directors have taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Offer Information Statement in its proper form and context, they have not independently verified the accuracy of the relevant information.

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In the event that any of the Group's employees is infected with any communicable disease, including Covid-19, or in the event of a resurgence of Covid-19 in the regions of the PRC in which the Group operates, the Group may be required to temporarily suspend operations or shut down its offices or quarantine the relevant workers to prevent the spread of the disease. This may result in delays in the Group's fulfilment of orders or delivery of its products and services, thereby creating a material and adverse impact on its business and financial performance.

The Group is subject to general business risks

The Group is subject to general business risks including:

- (a) war, terrorism, and their consequent adverse effects on business;
- (b) global financial downturns and the effects on the performance of the local economy; and
- (c) changes in government regulations that increase operating costs or restrict the conduct and growth of business.

Such risks cannot be completely eliminated and the cost controls in minimising these risks may outweigh their potential benefits. Accordingly, the Group continues to focus on risk management and incident management, supported by risk transfer mechanisms such as insurance, where appropriate.

The Group is reliant on key personnel

The Group's performance is dependent upon the continued services and efforts of its key management as well as other skilled personnel. The Group's team of experienced management staff and skilled personnel is critical in fulfilling its contractual obligations and maintaining its relationships with its customers and suppliers. The Group's performance depends to a significant extent on its management team and personnel, including its Executive Directors, who are responsible for charting the business strategies of the Group. In addition, owing to the specialised nature of the Group's work, there is a limited supply of adequately skilled personnel in its industry. Competition for qualified personnel is intense and the Group may be unable to identify and recruit such personnel if and when needed on short notice. The loss of any key personnel without timely and suitable replacements and/or the Group's inability to attract and retain qualified and experienced personnel could have a material and adverse impact on the Group's business. The Group may also have to pay substantial wages to attract and retain the required personnel, and this may have an adverse impact on the Group's operating margins.

The Group may be subject to risks associated with litigation and other disputes

Legal proceedings, such as litigation or arbitration, may arise from time to time in the ordinary course of business, and the Group may not be able to anticipate and/or prevent such proceedings from being brought against it. Regardless of their validity, such claims could require the expenditure of significant financial resources to defend against or pursue. Any adverse outcome from any proceedings, whether brought by or against the Group, could have an adverse effect on its business, financial condition, results of operations and prospects.

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The Group is exposed to interest rate risks, liquidity risks and credit risks

The Group is exposed to financial risks such as interest rate risk, liquidity risk and credit risk.

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its bank borrowings.

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to a shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of facilities.

Credit risk is the risk of loss that may arise should a counter party default on its obligations. If the Group's clients become unwilling or unable to pay the Group, the Group may experience payment delays or non-payment and its cash flow and business may be materially and adversely affected.

The Group is exposed to risks in relation to prepayments made to its suppliers and sub-contractors

The Group is exposed to financial risks associated with prepayments made to its suppliers and sub-contractors. As part of its contractual dealings with its suppliers and sub-contractors, the Group disburses prepayments to its suppliers and sub-contractors for materials to be delivered and services to be performed by such suppliers and sub-contractors at a later date. In respect of such prepayments made, the Group suffers a loss of interest on funds used to make such payments. Further, in the event that a supplier or sub-contractor who has received such prepayments from the Group becomes insolvent prior to the delivery of the materials or services to be delivered, the Group may not be able to recover the prepaid amounts and may be left with no right to the materials or services for which it had made the prepayment.

The Group's subcontractors may default on their obligations

The Group engages subcontractors for its projects. These subcontractors are selected based on factors such as the Group's past working experience with them, their licences and certifications, track record, pricing, quality and safety requirements, financial and human resources and their ability to meet the Group's project schedule. There is, however, no assurance that the equipment and materials used by and services rendered by the Group's subcontractors will continue to be of a satisfactory standard, as stipulated under the relevant agreements, or relevant regulatory requirements. In the event of any default by such subcontractors engaged by the Group, the Group may incur liabilities to its customers. Furthermore, any adverse changes in its subcontractors' business conditions, whether financial or otherwise, which affect their ability to fulfil their contractual obligations to the Group, may result in the Group not being able to complete its projects on time. In the event that the Group is unable to find suitable alternative subcontractors in time and at comparable prices or commercial terms, it may be subject to cost overruns or may be exposed to the risk of incurring liquidated damages. Accordingly, the Group's business, operations, financial performance and prospects may be adversely affected. From FY2017 to FY2018, FY2019 and up to the Latest Practicable Date, the Group did not experience any default by its subcontractors which had a material adverse impact on its business, operations or financial performance.

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The Group may not be able to successfully execute its future plans

On 8 June 2020, the Company announced the outcome of a strategic review of the strategic direction, innovations and initiatives of the Group by an interim sub-committee of the board (the “**Strategic Review Committee**”). The board accepted the Strategic Review Committee’s recommendations to expand the Group’s business in the treatment of municipal sludge, industrial wastewater treatment and production of equipment widely used in water and sludge treatment. In this regard, as announced by the Company on 12 June 2020, in connection with the Rights Issue, the Company intends to move to a high-tech oriented business to differentiate itself from other environmental protection companies. It intends to focus on municipal sludge treatment and disposal, and industrial wastewater treatment based on high-end membrane technologies and position the Group as a premier integrated environmental services provider, particularly in the PRC, offering a full spectrum of services including technical consulting, system integration, equipment and product supply, project investment, EPC and operational and maintenance.

The Group’s future plans may require the incurrence of substantial capital expenditure and financial resources. There is no assurance that the Group will be able to secure funding for such expenditure to implement its future plans. Additionally, even in the event that such funding is secured, there is no assurance that these plans will achieve revenue that will be commensurate with the Group’s investment costs, or that the Group will be successful in securing more projects. If the Group fails to generate sufficient revenue or manage its costs efficiently, it may not be able to recover its investment and its business may be materially and adversely affected.

There is no assurance of the growth and profitability of the Group

There are numerous factors such as intense market competition and general economic conditions, which are beyond the Group’s control, which may affect the growth and profitability of the Group. The Group recorded net losses in FY2018 and FY2019 and there is no assurance when or whether the Group will return to profitability.

The Group may face risks arising from its indebtedness

There is no assurance that the Group will be able to refinance its borrowings, as they become due, on commercially reasonable terms, or at all. The Group may be required to meet its funding needs by procuring financing on terms unfavourable to it. Such unfavourable terms may include restrictions on the Group’s ability to pay dividends or a requirement for the Group to procure consents before it can declare and pay dividends. Additionally, the Group’s level of indebtedness means that a material portion of its expected cash flow may be required to be channelled toward the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group’s level of indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn.

The Group faces risks from changes to its accounting policies

From time to time, the Group may be required to make changes to its accounting policies due to, amongst others, changes in the applicable financial reporting standards. There is no assurance that the adoption of any new accounting policies will not have a significant impact on the Group’s financial results.

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The Group is subject to the risk of changing income tax rates and laws, and having its tax positions challenged

The Group may periodically be subject to various types of tax audits, including routine and special audits. While the Group may seek tax advice or opinions from external advisers from time to time in relation to its operations, there is no assurance that the tax positions adopted by the Group will not be successfully challenged by the tax authorities in the countries in which the Group operates. If this were to occur, the Group's tax liabilities could significantly increase and the Group may be required to pay significant back taxes, interest and/or penalties. The resolution of any issues identified in the Group's tax audits may require the Group to adjust its provision for income tax in the period such resolution occurs and any significant proposed adjustments could have a material and adverse effect on Group's business.

Additionally, any change in tax laws, treaties or regulations, or their interpretation, of any country in which the Group operates, could result in a higher tax rate or widen the Group's tax exposure.

The countries in which the Group operates allow for tax holidays or provide other tax incentives. Any tax holiday or incentive the Group has the benefit of could be challenged, modified or even eliminated by the relevant authorities or by changes in tax laws. Additionally, the tax laws and rates in certain jurisdictions in which the Group operates may change with little or no notice and any such change may apply retroactively. Any such change could have an adverse effect on the Group's financial performance.

Demand for the Group's services may be adversely affected by a substantial or extended decline in industrial activity

Demand for the Group's services is heavily dependent on the level of industrial activity. Industrial activity is subject to fluctuations in response to a variety of factors beyond the Group's control, including but not limited to:

- (a) the outbreak of communicable diseases such as Covid-19;
- (b) the condition of the world economy and geopolitical events;
- (c) changes in the global and regional supply of and demand for commodities and expectations regarding future supply and demand;
- (d) weather, natural disasters and general economic conditions; and
- (e) government regulations and political stability.

The business of providing treatment solutions for industrial waste is highly competitive

The business of providing industrial wastegas and wastewater treatment solutions is highly competitive and the Group faces competition from existing competitors and new market entrants. Some of the Group's existing competitors may have greater resources, longer operating histories or are better entrenched in the markets that the Group operates in. In addition, new market entrants may enter the industry resulting in increased competition. Such existing competitors and new market entrants may compete with the Group on key attributes which include the scale and capacity of facilities, brand name, timely delivery and customer service. Further, the Group may face price-cutting pressures from its existing and new competitors who may tender for projects at lower prices in their bid to maintain or gain their market share in the industry. If the Group is unable to compete effectively or respond with appropriate measures, its market share and profit margins may decline and its profitability and financial performance may be adversely affected. A change

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in the competitive environment could have a material adverse effect on the Group's business. Competitive factors include changes in market penetration, increased price competition, the introduction of new products and technology by existing and new competitors as well as changes in customer demands in relation to sales, technology and prices. The slowdown of industrial activity in recent months due to the outbreak of Covid-19 has resulted in overcapacity, which in turn has resulted in increased competition among industrial wastegas and wastewater treatment solutions providers and, consequently, in competitive bidding and thinner profit margins.

The Group may not be able to provide comparable services at lower prices or respond more quickly to new technologies than potential or existing competitors who may have larger financial resources or stronger track records. In the event that the Group is unable to effectively compete based on the price and quality of its services, the Group's financial position and performance will be adversely affected.

The Group may be unable to keep up with technological changes to maintain its competitive edge

The environmental protection industry is characterised by rapid and significant changes in, and changes in the applications of, technology. Technology plays a critical role in influencing the demand for the Group's solutions and services. Existing systems and technologies are frequently improved and enhanced and new standards are frequently introduced. The development of new technologies and/or any introduction of new, or changes in, industry standards and government regulations, such as the PRC government's push for the use of environmental-friendly energy as well as the development of environmental-friendly systems and technologies (such as clean coal technologies) in order to reduce pollution, may adversely affect the demand for certain of the Group's existing solutions and services, or render certain of its existing solutions and services obsolete. In order for the Group to remain competitive, it is essential that it keeps abreast of technological developments in order to anticipate changes in technology and regulatory standards so as to ensure that its technology is current, and continues to develop and introduce new and enhanced solutions on a timely basis. In the event that the Group is unable to keep up with such technological changes or cater to its customers' needs, it may not be able to maintain its competitive edge and its profits may be adversely affected.

The Group is subject to intellectual property risks

The Group relies on its patents to protect its proprietary systems, technologies and processes in conducting its business. The Group considers its patents to be vital in maintaining its competitiveness. Though some of the Group's patents are registered in the PRC, there is no assurance that the means of protecting intellectual property adopted by the Group will be effective or that its competitors will not replicate products that are similar to those of the Group. Although the Group may take legal actions against those who infringe its intellectual property rights, it may need to incur substantial time and resources and there is no assurance that the Group will be able to stop or prevent such infringement completely.

In addition, some of the Group's proprietary know-how and technical knowledge and technical expertise may not be patentable. Although the Group has stringent controls for maintaining confidentiality, there is no assurance that there will be no unauthorised disclosure of its proprietary information, or that its competitors will not copy them. In the event that the Group's proprietary know-how and technical expertise are replicated by its competitors, there is no assurance that it would be able to detect such unauthorised replications. Hence, the Group's business and financial performance may be adversely affected if it is unable to protect its intellectual property rights effectively.

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The Group cannot be certain that its systems, technologies and processes do not infringe valid patents or intellectual property rights held by third parties. The Group may unknowingly infringe intellectual property rights of third parties, in which case, the Group may have to incur substantial costs and resources in defending suits that may be brought against it for alleged infringement of intellectual property owned by third parties. In addition, should the Group fail to defend against the suits brought against it, it will have to discontinue utilising its systems, technologies and processes in its business and/or may be required to pay substantial monetary damages. This would adversely affect the Group's operations and business.

The Group may be affected by delay, termination or reduction of the scope of its on-going and secured projects

The Group may experience unanticipated delays or stoppage in the completion of projects it undertakes due to unforeseen circumstances such as the outbreak of communicable diseases such as Covid-19, occurrences of fire, bad weather conditions, earthquake or other natural calamities, stoppage in supply of utilities, power failures, machinery and equipment breakdown, and other events beyond its control. In particular, as the Group's main market is in the colder northern region of the PRC, its operational activities are affected by seasonality effects in the PRC. During the end and beginning of the year (typically from December to April), the northern parts of the PRC experience harsh winter and frost conditions which are not suitable for on-site fabrication and installation activities. Hence, the Group generally plans and undertakes most of its heavy manufacturing and installation works during the periods between May and November and less extensive manufacturing and fabrication is carried out indoors during the winter. Should any unfavourable events occur, it may cause partial or complete destruction to the Group's projects-in-progress and machinery and equipment and/or lead to unexpected and prolonged delays in the completion of the Group's projects within the specified period as stated in the contracts and the Group would be liable to pay liquidated damages and re-construction costs. Such events may adversely affect the Group's level of profitability. In addition, the Group does not maintain any insurance policies for its projects-in-progress and hence it will not be compensated for any damage or delay caused to its projects-in-progress.

The Group's profitability may be adversely affected by disputes, claims or inability to agree on variation orders

Due to the nature of the engineering industry, it is common for claims to be made by and against contractors or sub-contractors on grounds such as defective works and noncompliance with contract specifications. It is also industry practice for customers to withhold a certain percentage, typically between 5% to 10%, of the contract sum as retention monies to guard against defective works. In the event of any major claims or disputes with the Group's customers arising from the performance of the contract or as a result of the conduct of the Group's subcontractors, the Group's financial performance may be adversely affected.

Variation or change orders are additional works or changes requested by the customer for specifications not included in the original contract, for which additional charges will apply. Within the engineering industry it is common market practice for contractors or sub-contractors to commence such variation works before the additional charges are agreed with the customers in order not to cause any delay to the completion of the project. In the event the Group is unable to agree with its customers on the additional charges for variation orders, particularly where such variation orders represent a substantial sum, the Group's financial performance and cash flow position may be adversely affected.

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The Group is exposed to risks from changes in the availability and cost of labour and materials and equipment

Various factors affect the cost of the Group's operations and a change in any such factors could have a material adverse effect on the Group's business and results of operations. Such factors include the effects of unplanned work stoppages, the cost of labour, and the cost and availability of materials and equipment. The availability and prices of materials and equipment are susceptible to, among other things, new laws or regulations, suppliers' allocations to other purchasers, the existing level of demand, supply interruptions, changes in exchange rates and worldwide price levels. Any unforeseen future disruptions in the supply of materials and equipment could impair the Group's ability to provide services to its customers or require the Group to pay higher prices in order to obtain such materials and equipment from alternative sources at short notice. Any significant increase in the prices for such materials and equipment could adversely affect the Group's financial performance.

The Group and its customers are subject to various government regulations

The environmental engineering industry is subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, operating a construction industry enterprise, and undertaking contracting works for municipal public works and private entities. If the Group fails to obtain the requisite approvals, it would be unable to continue its operations. The Group must also comply with the laws and regulations applicable to its operations. Any breach of the foregoing laws and regulations may result in the Group being subject to penalties or having its licences or approvals revoked which may have a material and adverse impact on the Group's business, financial condition, financial performance and/or prospects. Any changes in the applicable laws and regulations could result in higher compliance costs and adversely affect the operations and the financial performance of the Group.

Changes in legislative, regulatory or industrial requirements may render certain of the Group's wastegas and wastewater treatment solutions obsolete. Acceptance of new solutions may also be affected by the adoption of new government regulations requiring stricter standards. In the event that the Group is unable to respond to regulatory changes in a timely manner, its competitive edge, profits and financial condition may be adversely affected.

Additionally, environmental laws and regulations, play a critical role in influencing the demand for the Group's services. The Group's customers are required to adhere to particular environmental laws and regulations of the PRC. As such, the Group must ensure that the systems or services that it provides to its customers will not cause any non-adherence to such environmental laws and regulations. In the event of non-compliance with such laws and regulations the Group's customers or the relevant authorities may seek recourse from the Group. Further, in the event of changes in the applicable laws and regulations resulting in the Group's present and potential customers not being able to obtain the requisite licences, permits, certificates, consents or regulatory approvals required to operate within their respective industries, the Group's business could be adversely affected.

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The Group may face potential liabilities and claims and may be involved in legal and other proceedings arising from its operations from time to time

The time required to complete the design, fabrication and installation of industrial wastegas and wastewater treatment systems depends on various factors, including the size of the project and the availability of resources. Delays may be occasioned by various factors, such as adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delays in obtaining the requisite approvals. Such delays may result in cost overruns and increased financing costs and adversely affect the Group's operations and lead to claims for liquidated damages from the Group's customers as well as adversely affect the Group's financial performance.

Additionally, any accidents which occur during the course of construction may give rise to personal injuries and third party liability. From time to time the Group may be involved in disputes with its customers, contractors, sub-contractors, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, the materials and equipment used, adherence to contract specifications and the costs of variation orders. Such disputes may lead to legal and other proceedings. In the event that the Group is unable to manage or mitigate such risks, the Group's business and financial performance and financial position will be affected if any compensation or damages are payable by the Group.

The Group is subject to risks of late payment or non-payment by its clients

The Group's trade and other receivables account for approximately 64.25%, 72.63% and 79.65% of the Group's current assets and approximately 60.92%, 68.87% and 74.97% of the Group's total assets as at the end of FY2017, FY2018 and FY2019, respectively. Therefore, the Group's financial position and profitability is dependent to a large extent on the creditworthiness of its customers.

The Group faces uncertainties over the timeliness of its customers' payments and their solvency or creditworthiness. Typically, the Group issues invoices for its services based on project milestones with a credit term of 30 days to 60 days. However, there is no assurance that the Group will be able to collect any progress payments on a timely basis, or at all. In the event that the Group's customers significantly delay, or default entirely on, payments to Group, the Group may face a material increase in bad and doubtful debts, which will have an adverse impact on its cash flow and financial performance.

The Group may not be able to secure new and profitable projects and/or on favourable terms

The Group's projects are non-recurring in nature and the majority of its revenue is generated on a project basis. Its projects are generally secured through a tender process whereby a contract is awarded to the most competitive bidder. Hence, the Group's financial performance is dependent on its ability to secure new projects. Certain of the Group's existing major customers allow its potential new customers to visit and view their project sites and have direct communications with existing major customers in order to learn more about the Group and its systems and technologies. Hence, it is critical that the Group maintains good business relationships with its existing major customers and should its existing major customers terminate, significantly reduce or modify their business relationship with the Group, its ability to secure future projects would be adversely affected. Due to the nature of the Group's business, the number and value of the projects that it is able to secure fluctuates from year to year. In addition, in order for the Group to

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secure certain projects, in particular, larger projects or projects with higher profit margins, it may offer less favourable and/or longer payment terms. This will require the Group to balance profit margins and payment terms when securing projects. In the event that it are unable to balance profit margins and payment terms when securing projects, its profitability and/or cash flow may be adversely affected. Hence, there is no assurance that the Group will continue to be able to secure new projects that are profitable and/or on terms that are favourable to it. If the Group is unable to secure new and profitable projects and/or on favourable terms, its financial performance will be adversely affected.

The Group is subject to revenue and profit volatility

The Group is susceptible to revenue volatility which is characteristic of companies engaged in project-based work with a milestone payment schedule. The revenue to be recognised in a financial year is dependent on the number, value and stage of completion of projects undertaken by the Group and the contract prices of the Group's industrial waste treatment EPC projects, which in turn depend on various factors, such as availability of the Group's resources, market sentiment, market competition and general economic conditions.

There is no assurance that the revenue generated by the Group in its undertaking of EPC projects in process industries will remain comparable every year. There is also no assurance that the Group will be able to continuously secure new projects of similar value and volume or to continuously realise the value of the Group's EPC projects at a similar value or volume.

In the event that the Group is unable to undertake or consistently secure such projects, or should there be any delay in the progress of the Group's projects, the Group's financial performance and financial condition may be adversely affected.

The Group's financial performance is dependent on its ability to secure projects

The Group's principal business activities comprise EPC projects which span various industries such as the heat supplies, oil and gas, steel manufacturing, chemicals, food, railway and aviation industries. The bulk of the Group's projects are awarded through public and private tenders. The number of projects the Group is able to secure is dependent on the number of projects that are open for tender, as well as on the price and quality of the competing bids. Therefore, the Group's revenue may fluctuate from year to year according to the number and scale of contracts that it is able to secure each year. In the event that the Group is unable to continue to secure a consistent number of new and profitable projects per year, its financial performance and financial condition may be adversely affected.

The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

The Group does not maintain any insurance policies for its projects-in-progress and hence it would not be compensated for losses due to any damage or delay caused to its projects-in-progress. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of disruption or damage to the Group's operations and equipment are uninsured and would affect the Group's financial performance. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project in accordance with its contractual obligations, which would also adversely affect its financial performance.

APPENDIX A – RISK FACTORS

The Group may experience negative operating cash flow from time to time due to significant capital outlay which may be required for its EPC projects

Due to the nature of the industrial waste treatment solutions EPC business, the Group's projects will typically require substantial capital outlay particularly during the procurement phase. Typically, an industrial wastegas or wastewater treatment project will experience net cash outflow in its early phases, where significant cash outlay is required to bear upfront costs such as manpower, materials and equipment and most of the payment by the Group's customers is only made during the later phases of the project upon the completion of specified project milestones.

To finance the significant capital outlay in the early phases of its projects, the Group may have to rely on external financing. There is no assurance that such financing, whether on a short-term or a long-term basis, will be available to the Group or, if available, that such financing can be obtained on favourable or commercially reasonable terms. Failure to obtain financing on favourable or commercially reasonable terms might render it unfeasible for the Group to undertake such projects and adversely affect its business and growth prospects.

The Group's projects may be affected by cost overruns and/or increases in costs

As the Group's business is project-based and projects are awarded based on competitive bids, it is important that the Group manages its projects in terms of timing, procurement of materials and allocation of resources. The tendered price is based on cost estimates at the time of submission of tender. Owing to the long duration of the Group's projects, its business is susceptible to cost overruns and fluctuations in raw material costs, cost of supplies, labour costs and fixed overheads, resulting in unanticipated erosion in profit margin or even losses. In particular, the Group's raw materials and other expenses such as subcontracting costs may vary from the tendered price, and hence result in cost overruns over the duration of the project.

Cost overruns may also result from poor site management of the Group's projects such as the Group's failure to implement projects which fully satisfy its customers' requirements and expectations, or wastage or damage of its raw materials. Unforeseen circumstances beyond the Group's control, such as severe bad weather conditions, may also result in cost overruns. In the event of cost overruns, the profit margin of a project would be adversely affected.

Unforeseen circumstances such as unfavourable weather conditions, unanticipated construction constraints at worksites, increases in the costs of labour, construction materials, equipment, rental and sub-contracting services, unanticipated variations in labour and equipment productivity over the term of a project or corrective measures for poor workmanship may arise in the course of the Group's projects which may result in unanticipated additional costs over and above the initial budget. Where such costs overruns are not able to be passed onto its customers, the Group may have to absorb such cost overruns and may suffer diminished profits or losses on the project. The Group's profitability and financial performance would be materially and adversely affected.

APPENDIX A – RISK FACTORS

RISKS RELATING TO THE GROUP'S OPERATIONS IN THE PRC

General risks associated with doing business in the PRC

Within the last few decades, the PRC has transitioned from a planned economy to a unique economic system known as a “socialist market economy”, which is characterised by a predominance of state ownership and state-owned enterprises within a market economy. Accordingly, the PRC has experienced significant economic growth and social progress since its adoption of the “open door” reform policy in 1978 and the “socialist market economy” policy in 1993, even though such growth has been uneven across geographic and economic sectors within the PRC. However, there is no assurance that such economic growth will not decrease and, as the Group's operations are based in the PRC, any slowdown may have an adverse impact on its business, operations, financial performance and prospects.

PRC foreign exchange controls may limit the Group's ability to receive dividends and other payments from its PRC subsidiary

The Group's PRC subsidiary, Jilin Anjie Environmental Engineering Co., Ltd, is subject to PRC rules and regulations on currency conversion. In the PRC, the State Administration of Foreign Exchange (“SAFE”) regulates the conversion of Renminbi into foreign currencies. Currently, foreign investment enterprises (“FIEs”) are required to apply to the SAFE for “Foreign Exchange Registration for FIEs”. With such registration, FIEs are allowed to open foreign currency accounts including a “current account” and “capital account”. Currency conversion within the scope of a “current account” (for example, remittance of foreign currencies for payment of dividends, etc.) can be effected without requiring the approval of the SAFE. However, conversion of currency in a “capital account” (for example, for capital items like direct investments, loans, securities, etc.) requires the approval of the SAFE. There is no assurance that the current foreign exchange rules and regulations in the PRC will not be changed to the detriment of the Group. As the Group's subsidiary in the PRC generates a significant proportion of its revenue, and such revenue is denominated in RMB, any future restrictions on currency exchange may limit the Group's ability to repatriate such revenue for the distribution of dividends to its Shareholders.

The Group's performance and growth is susceptible to changes in the political, economic and social conditions the PRC

The Group's operations are located in the PRC. The Group's operations and business may be materially and adversely affected by changes in the legal, political, economic and social conditions in the PRC, including but not limited to:

- (a) shifts in political powers, political unrest and economic instability;
- (b) acts of terrorism;
- (c) changes in laws and regulations;
- (d) growth rate and degree of development;
- (e) uniformity in the implementation and enforcement of laws;
- (f) content of and control over capital investment;

APPENDIX A – RISK FACTORS

- (g) control of foreign exchange and allocation of resources;
- (h) changes in the rate and method of taxation;
- (i) difficulties in managing supply chain channels; and
- (j) employment and labour issues.

Any changes in the double taxation agreement between Singapore and the PRC with respect to an increase in the dividend withholding tax rate may affect the amount of dividends payable by the Group's PRC subsidiary to the Company

According to the agreement between the PRC and Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (中华人民共和国政府和新加坡共和国政府关于对所得避免双重征税和防止偷漏税的协定) dated 11 July 2007, the dividend withholding tax rate shall not exceed 5.0% of the total dividends declared if the beneficial owner of the dividends is a Singapore resident company that directly holds at least 25.0% of the share capital of the company paying the dividend. Currently, the Company does not foresee any legal issues or elements that may prevent its PRC subsidiary that is directly held by the Company from the enjoying such a dividend withholding concessionary tax rate not exceeding 5.0%. However, there is no assurance that such agreement or arrangement in respect of avoidance of double taxation and the prevention of fiscal evasion will not be further amended. In the event that such dividend withholding tax rate increases, it may affect the amount of dividends paid out by the Group's PRC subsidiary. Additionally, there is no assurance that the PRC tax authorities will not change its determination and recognition of adoption of such concessionary rate not exceeding 5.0% or that the PRC tax authorities will not levy higher withholding tax on these dividends in the future.

RISKS ASSOCIATED WITH THE RIGHTS ISSUE, THE RIGHTS SHARES AND THE SHARES

An active trading market may not develop for the "nil-paid" Rights and, if a market does develop, the "nil-paid" Rights may be subject to greater price volatility than the Shares

A trading period for the "nil-paid" Rights has been set from 13 August 2020 at 9.00 a.m. to 21 August 2020 at 5.00 p.m. There is no assurance that an active trading market for the "nil-paid" Rights on the SGX-ST will develop during the "nil-paid" Rights trading period or that any over-the-counter trading market in the "nil-paid" Rights will develop. Even if an active market develops, the trading price of the "nil-paid" Rights, which depends on the trading price of the Shares, may be volatile and subject to the same risks as noted elsewhere in this Offer Information Statement. In addition, in certain jurisdictions, Shareholders are not allowed to participate in the Rights Issue. The "nil-paid" Rights relating to the Shares held by such ineligible Shareholders may be sold by the Company, which could make the market price of the "nil-paid" Rights fall.

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

If Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his "nil-paid" Rights, or such "nil-paid" Rights are sold on his behalf, the consideration he receives, if any, may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

APPENDIX A – RISK FACTORS

Foreign Shareholders should note that to the extent that it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the “nil-paid” Rights which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading of the Rights on a “nil-paid” basis. The net proceeds of such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax) will be aggregated and paid to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made of amounts of less than S\$10.00 to a single or joint Foreign Shareholder and the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company. No Foreign Shareholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Company, the Manager and Underwriter, CDP or the Share Registrar and their respective officers in connection therewith.

Investors may experience future dilution in the value of their Shares

The Company may need to raise additional funds in the future to finance the expansion of the Group’s business and strengthen its capital base, repay borrowings and/or finance future investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

The Company’s share price may fluctuate

The market price for the Shares on the SGX-ST (including the “nil-paid” Rights and the Rights Shares) could be subject to significant fluctuations. Any fluctuation may be due to the market’s perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond the Group’s control. The sale of a significant amount of Shares on the SGX-ST after the Rights Issue, or the perception that such sales may occur, could materially affect the market price of the Shares. This volatility may adversely affect the price of the Shares, including the Rights Shares, regardless of the Group’s operating performance. Examples of such factors include, *inter alia*:

- (a) variations in the Group’s operating results;
- (b) changes in financial estimates and recommendations by securities analysts;
- (c) success or failure of the Group’s management team in implementing business and growth strategies;
- (d) the gain or loss of an important business relationship or contract;
- (e) the operating and stock price performance of other companies in a similar industry;
- (f) developments affecting the Group, its customers or competitors;
- (g) fluctuations in general stock market prices and trading volume;

APPENDIX A – RISK FACTORS

- (h) changes or uncertainty in the political, economic and regulatory environment in the markets in which the Group operates;
- (i) changes in accounting policies; and
- (j) other events or factors described in this Offer Information Statement.

The Issue Price is fixed at S\$0.015 for each Rights Share. A fall in the price of the Shares could have a material adverse impact on the value of the “nil-paid” Rights and the Rights Shares. There is no assurance that investors will be able to sell the Rights Shares at a price equal to or greater than the Issue Price. Accordingly, investors who are existing Shareholders or have acquired “nil-paid” Rights in the secondary market and/or subscribed to the Rights Shares, whether existing Shareholders or not, may suffer a loss.

There is no assurance that the Shares will remain listed on the SGX-ST or that the liquidity of the Shares may not change or improve

Although it is currently intended that the Shares will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Shares. Active and liquid trading of securities generally results in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, *inter alia*, the size of the free float, the price of each board lot, institutional interest, the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on the SGX-ST may change or improve after the Rights Issue.

Any future sales of the Shares by the Group’s Substantial Shareholders and/or Directors could adversely affect its Share price

Any future sale of Shares by the Substantial Shareholders and/or Directors in the market can have a downward pressure on the price of the Shares. The sale of a significant amount of Shares in the market, or the perception that such sales may occur could materially and adversely affect the market price of its Shares. These factors could also affect the Group’s ability to issue additional equity securities in future.

The actual performance of the Group and its business may differ materially from the forward-looking statements in this Offer Information Statement

This Offer Information Statement contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the Group’s control. Furthermore, the Group’s revenue and financial performance are dependent on a number of external factors, including demand for the Group’s services which may decrease for various reasons, such as a global economic slowdown, increased competition within the industry or changes in applicable laws and regulations. The Group cannot assure that these assumptions will be realised and its actual performance will be as projected.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, or where a Member Company is making an application in respect of a Broker-linked Balance linked to the Member Company, be taken to include an application made via the SGX-SFG Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). If an Entitled Depositor has Broker-linked Balance(s) and there are Rights Shares provisionally allotted to the Entitled Depositor in the Broker-linked Balance, a separate ARE will be issued for the number of Rights Shares provisionally allotted to the Entitled Depositor in each such Broker-linked Balance.

The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue, save as provided in paragraph 5.7 of this Appendix B. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

Entitled Depositors should note that any provisional allotments of Rights Shares in a Broker-linked Balance which are accepted and (if applicable) any excess Rights Shares credited pursuant to applications for excess Rights Shares in respect of a Broker-linked Balance shall be credited to the same Broker-linked Balance.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application (other than acceptances of and, if applicable, excess applications for Rights Shares for an Entitled Depositor's Broker-linked Balance which may not be by way of an Electronic Application made through an ATM) or through accepted electronic payment services (such as PayNow) or electronic service delivery networks ("**Accepted Electronic Services**") or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of your Securities Account or Broker-linked Balance of your Securities Account (if applicable) is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank or if he/they has/have applied for CDP's Direct Crediting Service, **BY DIRECTLY CREDITING HIS/THEIR DESIGNATED BANK ACCOUNT(S) AT HIS/THEIR OWN RISK**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR (OTHER THAN FOR PROVISIONAL ALLOTMENTS OF RIGHTS SHARES IN AN ENTITLED DEPOSITOR'S BROKER-LINKED BALANCE) BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR ACCEPTED ELECTRONIC SERVICE. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, OR WHERE A MEMBER COMPANY MAKES AN APPLICATION IN RESPECT OF A BROKER-LINKED BALANCE LINKED TO THE MEMBER COMPANY, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder or a Member Company in respect of a Broker-linked Balance linked to the Member Company, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder or (if applicable) by the Member Company in respect of a Broker-linked Balance in the Entitled Depositor's Securities Account linked to the Member Company. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.5 An Entitled Depositor with provisional allotment of Rights Shares in a Broker-linked Balance should note that the Member Company linked to the Broker-linked Balance may exercise the provisional allotment of Rights Shares held in the Broker-linked Balance and apply for excess Rights Shares for such Broker-linked Balance. CDP shall not be responsible for ascertaining, verifying or investigating, and has no duty to ascertain, verify or investigate any particulars relating to the exercise of Rights Shares held in a Broker-linked Balance and whether the Entitled Depositor has authorised the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares.
- 1.6 Details on the acceptance for provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares (other than in respect of Broker-linked Balances) are set out in paragraphs 2 to 4 of this Appendix B.

Details on the acceptance for provisional allotment of Rights Shares in an Entitled Depositor's Broker-linked Balance and application for excess Rights Shares for a Broker-linked Balance are set out in paragraphs 5 to 7 of this Appendix B.

2. MODE OF ACCEPTANCE AND APPLICATION (OTHER THAN FOR BROKER-LINKED BALANCES)

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank or through an Accepted Electronic Service

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix VII of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

Instructions for Electronic Applications through an Accepted Electronic Service are set out in the ARE.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for, by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**, so as to arrive not later than **5.00 P.M. ON 27 AUGUST 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – LEADER ENVIRONMENTAL TECH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 8.2 of this Appendix VI which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. You may obtain a copy from The Central Depository (Pte) Limited. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.015)

As an illustration, if an Entitled Depositor has 2,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 1,600 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- | | |
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| (a) Accept his entire provisional allotment of 1,600 Rights Shares and (if applicable) apply for excess Rights Shares. | (1) Accept his entire provisional allotment of 1,600 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than 9.30 p.m. on 27 August 2020 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or |
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APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 1,600 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$24 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – LEADER ENVIRONMENTAL TECH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

(b) Accept a portion of his provisional allotment of Rights Shares, for example 500 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.

(1) Accept his provisional allotment of 500 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9.30 p.m. on 27 August 2020**; or

(2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 500 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$7.50, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,100 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 500 provisionally allotted Rights Shares, and reject the balance.

(1) Accept his provisional allotment of 500 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service as described herein not later than **9.30 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 50 Rights Shares and forward the original signed S\$7.50, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,100 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank or an Accepted Electronic Service by **9.30 p.m. on 27 August 2020** or if an acceptance is not made through CDP by **5.00 p.m. on 27 August 2020**.

5. MODE OF ACCEPTANCE AND APPLICATION (FOR BROKER-LINKED BALANCES)

5.1 Acceptance/Application through CDP

The Entitled Depositor should note that any provisional allotments of Rights Shares accepted and (if applicable) any excess Rights Shares credited pursuant to applications for excess Rights Shares in respect of a Broker-linked Balance shall be credited to the same Broker-linked Balance.

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares in a Broker-linked Balance and (if applicable) apply for excess Rights Shares for his Broker-linked Balance through CDP, he must:

- (a) complete and sign the ARE in respect of the Rights Shares provisionally allotted in the Broker-linked Balance. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**, so as to arrive not later than **5.00 P.M. ON 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – LEADER ENVIRONMENTAL TECH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name of the Entitled Depositor and the relevant Broker-linked Balance Identification Number identifying the Broker-linked Balance the Cashier's Order or Banker's Draft is submitted for clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

5.2 Acceptance through the SGX-SFG Service (only for Member Companies making an application in respect of a Broker-linked Balance linked to the Member Company)

Member Companies may accept the provisional allotment of Rights Shares in a Broker-linked Balance linked to the Member Company and (if applicable) apply for Excess Rights Shares for a Broker-linked Balance linked to the Member Company through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents and Member Companies. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

5.3 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 8.2 of this Appendix VI which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

5.4 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 5.1 above to CDP.

The balance of his provisional allotment of Rights Shares in a Broker-linked Balance may be sold as soon as dealings therein commence on the SGX-ST.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers.

5.5 Trading of Provisional Allotments of Rights Shares by Member Company

A Member Company may trade all or part of the provisional allotment of Rights Shares in a Broker-linked Balance linked to the Member Company as soon as dealings therein commence on the SGX-ST. CDP shall not be responsible for ascertaining, verifying or investigating, and has no duty to ascertain, verify or investigate any particulars relating to the sale of provisional allotments of Rights Shares by the Member Company and whether the Entitled Depositor has authorised sale of the provisional allotment of Rights Shares by the Member Company.

5.6 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in a Broker-linked Balance in favour of a third party should obtain the approval of the Member Company linked to the Broker-linked Balance for the transfer of such provisional allotments of Rights Shares out of the Broker-linked Balance to the main balance of his Securities Account for such renunciation. An Entitled Depositor may request for such approval either (1) through CDP Online if he has registered for CDP Internet Access Service; or (2) directly from the Member Company linked to the Broker-linked Balance. The Member Company should directly communicate its approval to CDP through the established communication channels between the Member Company and CDP, or initiate the transfer of such provisional allotments of Rights Shares from the Broker-linked Balance to the main balance of the Entitled Depositor’s securities account.

Upon the transfer of the provisional allotments of Rights Shares which the Entitled Depositor wishes to renounce from the Broker-linked Balance to the main balance of the Entitled Depositor’s securities account, the Entitled Depositor should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce, and CDP shall only process the transfer forms for such renunciation only after such provisional allotments of Rights Shares are credited to the main balance of the Entitled Depositor’s securities account. Renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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5.7 Transfers of Provisional Allotments of Rights Shares from a Broker-linked Balance of the Entitled Depositor's Securities Account

Entitled Depositors who wish to transfer their provisional allotments of Rights Shares in a Broker-linked Balance to the main balance or another Broker-linked Balance of the Entitled Depositor's Securities Account should obtain the approval of the Member Company linked to the originating Broker-linked Balance for the transfer of such provisional allotments of Rights Shares out of the Broker-linked Balance. An Entitled Depositor may request for such approval either (1) through CDP Online if he has registered for CDP Internet Access Service; or (2) directly from the Member Company linked to the originating Broker-linked Balance (for transfer to the main balance of the Entitled Depositor's Securities Account only). The Member Company should through the established communication channels between the Member Company and CDP directly communicate its approval to CDP, or initiate the transfer of such provisional allotments of Rights Shares from the Broker-linked Balance to the main balance of the Entitled Depositor's securities account.

Upon the transfer of the provisional allotments of Rights Shares to the main balance or another Broker-linked Balance of the Securities Account, arrangements will be made by CDP for a separate ARS to be issued to the Entitled Depositor in respect of the provisional allotments of Rights Shares transferred to the main balance or another Broker-linked Balance of his Securities Account. As the Member Company may take up to the next Market Day to communicate its approval and effect the transfer, an Entitled Depositor who wishes to transfer his provisional allotments of Rights Shares from a Broker-linked Balance of his Securities Account is advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the Entitled Depositor by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the Entitled Depositor to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the Entitled Depositor is **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Alternatively, the Entitled Depositor may accept and subscribe for provisional allotments of Rights Shares in the main balance of his Securities Account by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above. Entitled Depositors who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP, for the period up to **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

An Entitled Depositor who wishes to transfer his provisional allotments of Rights Shares which were provisionally allotted to a Broker-linked Balance of his Securities Account should note that he will not be entitled to apply for excess Rights Shares in connection with his acceptance of such provisional allotments of Rights Shares which have been transferred out of the originating Broker-linked Balance.

6. ACCEPTANCES AND APPLICATIONS BY BOTH AN ENTITLED DEPOSITOR AND THE MEMBER COMPANY LINKED TO THE BROKER-LINKED BALANCE

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares in a Broker-linked Balance by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE, and the Member Company linked to such Broker-linked Balance also accepts any provisional allotment of Rights Shares in the Broker-linked Balance and/or applies for excess Rights Shares in respect of the Broker-linked Balance, the Company and/or CDP shall be authorised and entitled to accept his and his Member Company's instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality

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of the foregoing, in such a case, the Entitled Depositor or the Purchaser and the Member Company shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares whether made by him or the Member Company linked to the Broker-linked Balance in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

7. ILLUSTRATIVE EXAMPLES FOR RIGHTS SHARES PROVISIONALLY ALLOTTED TO A BROKER-LINKED BALANCE (ASSUMPTION: ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.015)

As an illustration, if an Entitled Depositor has 2,000 Shares standing to the credit of a Broker-linked Balance of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 1,600 Rights Shares in his Broker-linked Balance as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

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| (a) Accept his entire provisional allotment of 1,600 Rights Shares in the Broker-linked Balance and (if applicable) apply for excess Rights Shares for the Broker-linked Balance. | (1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 1600 Rights Shares in the Broker-linked Balance and (if applicable) the number of excess Rights Shares applied for the Broker-linked Balance and forward the original signed ARE together with a single remittance for S\$24.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to " CDP – LEADER ENVIRONMENTAL TECH RIGHTS ISSUE ACCOUNT " and crossed " NOT NEGOTIABLE, A/C PAYEE ONLY " for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 27 August 2020 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name of the Entitled Depositor and the relevant Broker-linked Balance Identification Number identifying the Broker-linked Balance the Cashier's Order or Banker's Draft is submitted for clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. |
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Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

(b) Accept a portion of his provisional allotment of Rights Shares in the Broker-linked Balance, for example 500 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.

(1) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 500 Rights Shares in the Broker-linked Balance, and forward the original signed ARE, together with a single remittance for S\$7.50, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,100 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

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Alternatives

Procedures to be taken

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 500 provisionally allotted Rights Shares, and reject the balance.
- (1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 500 Rights Shares in the Broker-linked Balance and forward the original signed ARE, together with a single remittance for S\$7.50, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,100 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through CDP by **5.00 p.m. on 27 August 2020**.

8. TIMING AND OTHER IMPORTANT INFORMATION

8.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 27 AUGUST 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE.**
- (B) 5.00 P.M. ON 27 AUGUST 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SFG SERVICE; AND**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank or through an Accepted Electronic Service by **9.30 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser or Member Company (in respect of a Broker-linked Balance), the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

8.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix VI, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

acceptance and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

8.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors or Member Companies (in respect of applications for Rights Shares made by Member Companies for Broker-linked Balances), without interest or any share of revenue or other benefit arising therefrom, within 3 business days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or if they have applied for CDP's Direct Crediting Service (DCS), **BY DIRECTLY CREDITING THEIR DESIGNATED BANK ACCOUNT(S) AT THEIR OWN RISK**, or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP). In the event they are not subscribed to CDP's DCS, any monies to be refunded will be retained by CDP and reflected under the cash transaction section of their CDP monthly account statement. This cash balance will be carried forward and will be automatically credited into their designated bank account once they apply for the DCS.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

8.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 27 AUGUST 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – LEADER ENVIRONMENTAL TECH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 27 AUGUST 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent or a Member Company in respect of a Broker-linked Balance linked to the Member Company via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) or Member Company/(s) for the Rights Shares is effected by **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers or the Member Company (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OR MEMBER COMPANY'S OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

8.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

8.6 General

In light of measures implemented due to the COVID-19 situation, the CDP Customer Service Centre will be temporarily closed until further notice. All CDP services will be provided through CDP Internet, phone (+65 6535 7511) and email services (asksgx@sgx.com). Entitled Depositors are strongly encouraged to accept their Rights and (if applicable) apply for excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service.

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters.

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

PERSONAL DATA PRIVACY

By completing and delivering an ARE or an ARS and in the case of an Electronic Application through an ATM of a Participating Bank, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Limited, CDP, CPF Board, the SGX-ST and the Company (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for excess Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

PROCEDURE TO COMPLETE THE ARE/ARS

9. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you

XX,XXX

Shares as at
XX January 2015
(Record Date)

Number of Rights Shares provisionally allotted*

XX,XXX

Issue Price

\$S0.0X per Rights Share

This is your shareholdings as at Record Date.

This is the date to determine your rights entitlements.

This is your number of rights entitlement.

This is the price that you need to pay when you subscribe for one rights share.

10. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. PayNow Scan the above QR code using your banking app. **Enter in the PayNow reference: XXXX<last 8 digits of your securities account number> e.g. XXXX12345678.** Payment amount must correspond to the number of rights shares subscribed, including excess. Make payment by **9.30 p.m. on XX August 2020.** You do not need to return this form.

2. ATM Follow the procedures set out on the ATM screen of a Participating Bank. Submit your application by **9.30 p.m. on XX August 2020.** Participating Banks are **XXX, XXX and XXX.**

3. Form Complete section C below and submit this form by **5.00 p.m. on XX August 2020,** together with BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP- XXXXXX RIGHTS ISSUE ACCOUNT**". Write your name and securities account number on the back of the Banker's Draft/Cashier's Order.

This is the last date and time to subscribe for the rights share through ATM and CDP.

You can apply your rights shares through ATMs of these participating banks.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

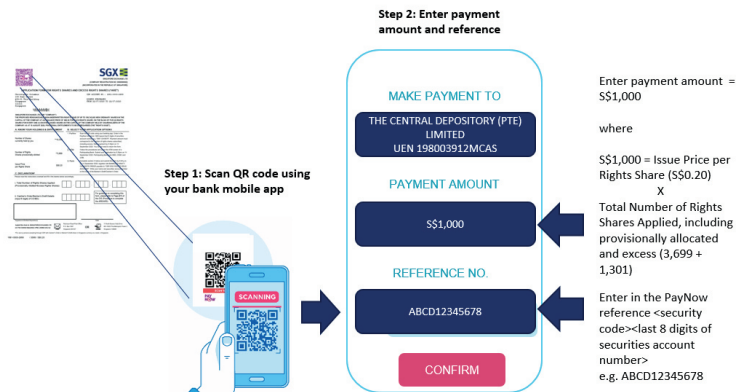
Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, PayNow reference, list of participating ATM banks and payee name on the Cashier's Order.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

11. Application via PayNow

Before you proceed to subscribe for rights via PayNow, please make sure you have set up/have the following:

1. Daily limit to meet your transfer request
2. Notification to alert you on the transfer and refund status
3. Security code, pre-printed on the form under Section B PayNow
4. Last 8 digits of securities account number, pre-printed on the form
5. Payment amount = Issue Price per Rights Share X Total Number of Rights Shares Applied (including provisionally allocated and excess), rounded down to the nearest cent



Note:

1. Please make sure the security code and your last 8 digits of securities account number are entered correctly. CDP will reject the application if it is not a valid security code and/or securities account and arrange for refund to your originating bank account. To be notified on the refund, please turn on the setting in your bank account notifications.
2. You can send up to S\$200,000 per transaction via PayNow capped at your daily fund transfer limit set with your bank, whichever is lower. You can submit multiple PayNow transactions on the same day and across different days if you require to make a payment more than your limit.
3. CDP aggregates payments received on the same day as one instruction.
4. CDP will determine the number of rights applied using total payment received on each day, ignoring resultant fractional cent payable if any.
5. Post allocation, CDP will refund any excess amount to your DCS bank account.

Notes:

Please refer to the ARE/ARS for the actual PayNow QR code, security code, and your last 8 digits of securities account number.

- (a) Please check and ensure that you enter the security code and CDP Account Number correctly. Your application may be rejected if any information submitted together with such application is incorrect or incomplete. Following allocation of rights, CDP will refund any excess amount to your DCS bank account. In the event you are not subscribed to CDP's DCS, any monies to be refunded will be retained by CDP and reflected under the cash transaction section of your CDP monthly account statement. This cash balance will be carried forward and will be automatically credited into your designated bank account once you apply for the DCS.
- (b) Payment amount = Issue Price per Rights Share X Total Number of Rights Shares Applied (provisionally allocated + excess). E.g. \$2,000 = \$0.20 x 10,000
- (c) PayNow is capped at S\$200,000 per transaction. Multiple PayNow transactions are permitted. Please check that the total remittance submitted across multiple transactions (if applicable) is correct.
- (d) CDP will aggregate payment received on a daily basis, and will determine the number of rights applied using total payment received on each day, ignoring resultant fractional cent payable if any.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

12. Application via Form

Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied:
(Provisionally Allotted + Excess Rights Shares)

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ii. Cashier's Order/Banker's Draft Details:
(Input last 6 digits of CO/BD)

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Signature of Shareholder(s)

Date

Fill in the total number of the rights shares and excess rights shares (for ARE)/ number of rights shares (for ARS) that you wish to subscribe within the boxes.

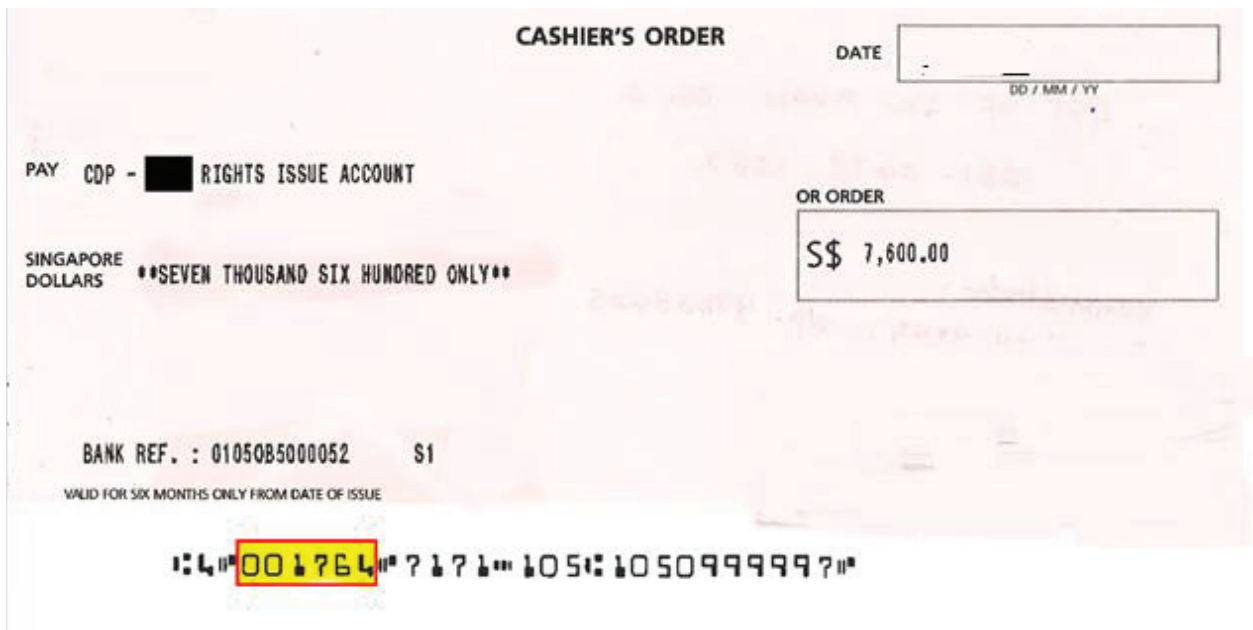
Fill in the 6 digits of the CO / BD number (eg. 001764) within the boxes.

Sign within the box.

Notes:

- (i) If the total number rights shares applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of rights shares applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of rights shares will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

13. Sample of a Cashier's Order



APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

1.1 Acceptances of the provisional allotment of and any Excess Application for the Rights Shares must be made on the appropriate form(s) forming part of this Offer Information Statement.

1.2 Entitled Scripholders are entitled to receive this Offer Information Statement and the following documents which form part of this Offer Information Statement:–

Renounceable PAL incorporating:–

Form of Acceptance	FORM A
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Request for Splitting	FORM B
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Form of Renunciation	FORM C
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Form of Nomination	FORM D
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Excess Rights Shares Application Form	FORM E
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1.3 The provisional allotments of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions contained in the PAL. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlement(s), if any, having been disregarded). Entitled Scripholders may accept their provisional allotments in full or in part and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue.

1.4 Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the Offer Information Statement and the PAL.

THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.

1.5 Where any acceptance, application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, (if applicable) the Constitution of the Company and/or any other application form for the Rights Shares and/or excess Rights Shares, or is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or the Share Registrar may, at their absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other processes of remittances at any time after receipt in such manner as they/it may deem fit.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 1.6 The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of the provisional allotment of the Rights Shares and (if applicable) application of excess Rights Shares and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of the provisional allotment of the Rights Shares and (if applicable) application for excess Rights Shares.
- 1.7 **Entitled Scripholders should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**
- 1.8 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act, (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete and sign the Form of Acceptance (Form A) for the number of Rights Shares which they wish to accept and forward, at the sender's own risk, the PAL, in its entirety, duly completed and signed, together with a single remittance for the payment in the prescribed manner to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the excess Rights Shares applied for by the Entitled Scripholder; the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this **Appendix C** which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

3. REQUEST FOR SPLITTING (FORM B) AND FORM OF RENUNCIATION (FORM C)

- 3.1** Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments under the PAL split into separate PALs (the “**Split Letters**”) according to their requirements. Form B together with the PAL in its entirety, both duly completed and signed, should be returned to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 21 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B (together with PAL in its entirety) is received after **5.00 p.m. on 21 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.2** The Company reserves the right to reject any request for Split Letters if, in the opinion of the Directors, the Rights Shares requested for in the Split Letters are in unreasonable denominations. The surrender of the PAL purported to be signed by an Entitled Scripholder shall be conclusive evidence in favour of the Company, the Share Registrar and any other person involved in the Rights Issue of the title of the person(s) lodging it, or on whose behalf it is lodged, to deal with the same and to receive Split Letter(s) and to have credited to that person's Securities Account with CDP the Rights Shares allotted to him or, if relevant, to receive physical Share certificate(s) and/or to receive any statement from CDP and/or refund of acceptance or application monies. Instructions relating to acceptance, payment, renunciation, nomination and consolidation set out in the PAL shall apply to the Split Letters received consequent upon the original provisional allotment of Rights Shares being split.
- 3.3** The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing Form C before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 21 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 3.4 An Entitled Scripholder who wishes to renounce his entire provisional allotment of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which he wishes to renounce and deliver the duly completed Form C and the PAL in its entirety to the renounee(s).
- 3.5 The renounee(s) should complete the Form of Nomination (Form D) and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.6 The surrender of the PAL purported to be signed by an Entitled Scripholder shall be conclusive evidence in favour of the Company, the Share Registrar and any other person involved in the Rights Issue of the title of the renounee to deal with it and (if applicable) to receive Split Letters and to have credited to the renounee's Securities Account with CDP the Rights Shares renounced to him or, if relevant, to receive physical Share certificate(s) and Warrant certificate(s) for the Rights Shares and/or to receive any statement from CDP and/or return or refund of surplus acceptance monies.

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A (Form of Acceptance) and the Consolidated Listing Form in Form D (Form of Nomination) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a Securities Account should complete the Consolidated Listing Form in Form D (Form of Nomination) of only one PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A (IF APPLICABLE) AND FORM D.** All duly completed and signed Form Ds (and Form As, if applicable) together with PALs in its entirety, together with payment in the prescribed manner, are to reach **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** not later than **5.00 p.m. on 21 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

5. PAYMENT

- 5.1 Payment in relation to PALs must be made in the form of a Banker's Draft or Cashier's Order in Singapore currency drawn on a bank in Singapore and made payable to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED RIGHTS ISSUE ACCOUNT** and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written on the reverse side of the Banker's Draft or Cashier's Order. The completed and signed PAL and remittance should be addressed to and forwarded at the sender's own risk to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** so as to reach the Share Registrar not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the manner specified in the PAL are not received by **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and will cease to be capable of acceptance, and such provisional allotments of Rights Shares not so accepted will be used to satisfy Excess Applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s) to their mailing addresses as maintained with the Share Registrar, as the case may be, without interest or share of revenue or benefit arising therefrom within fourteen (14) days after the Closing Date.

6. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

- 6.1 Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing and signing the Excess Rights Shares Application Form (Form E) of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for by post in the self-addressed envelope provided at their own risk, to **LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED C/O THE SHARE REGISTRAR, M&C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD #05-01 SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 27 August 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 6.2 **FORM E IS NOT TRANSFERABLE AND MAY ONLY BE USED BY THE ENTITLED SCRIPHOLDERS NAMED HEREIN.**

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 6.3** The excess Rights Shares available for application are subject to the terms and conditions contained in this Offer Information Statement, (if applicable) the Constitution of the Company and instructions contained in the PAL (including Form E). Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders or their respective renounce(s) or the Purchaser(s) of the provisional allotments of Rights Shares, the unsold "nil-paid" provisional allotments of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for any reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and instructions contained in the PAL (including Form E) and/or any other application form for the Rights Shares. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board shall rank last in priority. The Company reserves the right to allot the excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for excess Rights Shares without assigning any reason therefor.
- 6.4** In the event that the number of excess Rights Shares allotted to Entitled Scripholders is less than the number of excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of excess Rights Shares actually allotted to them.
- 6.5** If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for excess Rights Shares received by the Company, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date, **by ORDINARY POST** and at their **own risk**.
- 7. GENERAL**
- 7.1** No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.
- 7.2 Entitled Scripholders or renounees (as the case may be) who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**
- 7.3** Upon listing and quotation on the Mainboard of the SGX-ST, any trading of the Rights Shares will be via the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 7.4 To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.
- 7.5 Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for the excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) in the relevant forms comprised in the PAL.
- 7.6 Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP will be issued physical Share certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical Share certificates, if issued, will be forwarded to them by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent BY ORDINARY POST to person(s) entitled thereto to their mailing addresses as maintained with CDP at his/their own risk.
- 7.7 If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- 7.8 A holder of physical Share certificate(s), or an Entitled Scripholder who has not deposited his Share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit with CDP the respective certificates, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.
- 7.9 **THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 27 August 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

8. PERSONAL DATA PRIVACY

- 8.1** By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Share Registrar, CDP, the CPF Board, SGX-ST and the Company for the purpose of facilitating his application for the Rights Shares, and in order for the aforesaid persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with the applicable laws, and (iii) agrees that he will indemnify the Share Registrar, CDP, the CPF Board, SGX-ST and the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used in respect of the acceptance and (if applicable) Excess Application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Shareholder or the Purchaser of the provisional allotment of Rights Shares who accepts or (as the case may be) applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application at the ATMs of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE/ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance/application liable to be rejected.

For investors who hold Shares through finance companies or Depository Agents, CPFIS Members or SRS investors who had bought Shares using their SRS accounts, acceptances of the Right Shares and (if applicable) applications for excess Rights Shares must be done through the respective finance companies, Depository Agents, CPF Approved Banks or SRS Approved Banks. Such investors are advised to provide their finance companies, Depository Agents, CPF Approved Banks or SRS Approved Banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares must be done through the respective finance companies or Depository Agents. Such renounees or Purchasers are advised to provide their finance companies, Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application, the Share Registrar and/or the Company will be rejected.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has read, understood and agreed to all the terms and conditions of acceptance and application for the Rights Shares and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Warrant Agent, Securities Clearing & Computer Services (Pte) Ltd (SCCS), CDP, CPF, the SGX-ST, and the Company (the “Relevant Parties”) as the Company may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key (as the case may be). By doing so, the Applicant shall be treated as signifying his confirmation of each of the 2 statements. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of his account with that Participating Bank to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the aggregate number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of provisionally allotted Rights Shares standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such excess Rights Shares or not to allot any excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM) of the number of Rights Shares accepted or excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted or excess Rights Shares applied that may be allotted to him.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (5) In the event that the Applicant accepts the Rights Shares by way of a ARE and/or a ARS (as the case may be) and/or by way of acceptance through the Electronic Application through the ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares that the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of Rights Shares not exceeding the number of provisionally allotted Rights Shares that are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM, and the Company and/or CDP, in determining the number of Rights Shares that the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptances, whether by way of banker's draft or cashier's order accompanying the ARE and/or ARS by way of acceptance through the Electronic Application through the ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares by way of an ARE and by way of Electronic Application through the ATM of a Participating Bank, the Company and/or CDP shall be authorized and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of application through Electronic Application through the ATM of a Participating Bank and by way of ARE. The Company and/or CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of banker's draft or cashier's order accompanying the ARE by way of application through Electronic Application through the ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (7) The Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising there from) the application monies, should his Electronic Application for Rights Shares or excess Rights Shares not be accepted, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising there from) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of the Company, CDP, the Participating Banks, the Share Registrar and/or the Manager and Underwriter), and any other events beyond the control of the Company, CDP, the Participating Banks, the Share Registrar and/or the Manager and Underwriter and if, in any such event, our Company, CDP, the Participating Banks, the Share Registrar and/or the Manager and Underwriter do not record or receive the Applicant's Electronic Application, or data relating to the Applicant's Electronic Application by **9.30 p.m. on 27 August 2020** or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed **not** to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, CDP, the Participating Banks, the Share Registrar and/or the Manager and Underwriter for the purported acceptance of the Rights Shares accepted and (if applicable) excess Rights Shares applied for or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m.**
- (11) Electronic Applications shall close at **9.30 p.m. on 27 August 2020** or such other time as the Directors may, in their absolute discretion, decide.
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy of such particulars. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the other Participating Banks that does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the application monies will be refunded in S\$ (without interest or any share of revenue or other benefit arising there from) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of application monies will be refunded on the same terms.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 27 August 2020** or such later time or date as the Directors may, in their absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any amendment to this Offer Information Statement or replacement or supplemental document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, the Participating Banks, the Manager and Underwriter nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP, the Participating Banks, the Manager and Underwriter or the Share Registrar due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or acceptance of his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the relevant parties to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.

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- (17) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through the ATM of a Participating Bank, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) application or the surplus application monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising there from within fourteen (14) days after the Closing Date by any one (1) or a combination of the following:
- (a) if the Applicant has applied for CDP's Direct Crediting Service ("DCS"), by directly crediting his designated bank account at his own risk or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP. In the event he has not subscribed to CDP's DCS, any monies to be refunded will be retained by CDP and reflected under the cash transaction section of his CDP monthly account statement. This cash balance will be carried forward and will be automatically credited into his designated bank account once he applies for the DCS; and
 - (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of the Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotments of Rights Shares which he can validly accept, CDP and the Company are entitled and the Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Applicant has validly accepted, whether under the ARE(s) or any other form of application (including Electronic Application through an ATM of a Participating Bank) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Entitled Depositor's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant acknowledges that CDP's, the Company's determination shall be conclusive and binding on him.

The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.

- (20) With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, the Constitution of the Company and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the “Free Balance” of the Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application, payment and/or other processes of remittances at any time after receipt in such manner as they may deem fit.
- (21) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Shares and (if applicable) application for excess Rights Shares.

APPENDIX E – LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

1. Oversea-Chinese Banking Corporation Limited; and
2. United Overseas Bank Limited.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement and the appendices constitute full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement and the appendices misleading. Where information in this Offer Information Statement and the appendices has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement and the appendices in its proper form and context.

Dated this 7th day of August 2020

For and on behalf of

Leader Environmental Technologies Limited

Lin Baiyin
(Executive Chairman and CEO)

Lin Yucheng
(Executive Director)

Mak Yen-Chen Andrew
(Independent Non-Executive Director)

Lee Suan Hiang
(Independent Non-Executive Director)

Lim Kuan Meng
(Independent Non-Executive Director)