

CIRCULAR DATED 8 DECEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

If you have sold or transferred all your ordinary shares in the capital of Leader Environmental Technologies Limited ("**Company**"), you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and accompanying Proxy Form) may be accessed via SGXNET.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been made available on SGXNET. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" audio-visual webcast or listening to the EGM proceedings via "live" audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting proxy at the EGM. Please refer to Section 12 of this Circular for further details.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.



LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200611799H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (I) THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME;**
- (II) THE PROPOSED GRANT OF OPTIONS UNDER THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AT A DISCOUNT; AND**
- (III) THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 December 2021 at 10.00 a.m.
Last date and time to pre-register online to attend the EGM	:	20 December 2021 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	23 December 2021 at 10.00 a.m.
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means.

CONTENTS

DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION.....	6
2. THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME	7
3. THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN	13
4. RATIONALE FOR AND BENEFITS OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN	20
5. FINANCIAL EFFECTS OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN	21
6. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND ASSOCIATES OF CONTROLLING SHAREHOLDERS IN THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN	23
7. PARTICIPATION BY NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN.....	24
8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	25
9. DIRECTORS' RECOMMENDATION	26
10. EXTRAORDINARY GENERAL MEETING.....	27
11. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM	27
12. ACTION TO BE TAKEN BY SHAREHOLDERS.....	27
13. DIRECTORS' RESPONSIBILITY STATEMENT	29
14. DOCUMENTS AVAILABLE FOR INSPECTION.....	29
APPENDIX A RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME	A-1
APPENDIX B RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN.....	B-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	P-1

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

"Associate"	:	Shall have the meaning ascribed to it in the Listing Manual
"Board" or "Board of Directors"	:	The board of directors of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 8 December 2021
"Companies Act"	:	The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time
"Company"	:	Leader Environmental Technologies Limited
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"Controlling Shareholder"	:	A person who:- (i) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or (ii) in fact exercises control over the Company
"COVID-19 Act"	:	The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time, which, <i>inter alia</i> , enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means
"COVID-19 Order"	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time, which sets out the alternative arrangements in respect of, <i>inter alia</i> , general meetings of companies
"Directors"	:	The directors of the Company as at the date of this Circular, and each a "Director"
"EGM"	:	The extraordinary general meeting of the Company to be held on 23 December 2021 at 10.00 a.m., notice of which is set out on pages N-1 to N-4 of this Circular
"EPS"	:	Earnings per Share
"Exercise Price"	:	The price at which a participant shall subscribe for each Share upon the exercise of an Option
"Group"	:	The Company and its subsidiaries

DEFINITIONS

"Incentive Option"	:	An Option granted with the Exercise Price set at a discount to the Market Price
"Latest Practicable Date"	:	29 November 2021, being the latest practicable date, prior to the printing of this Circular
"Leader Environmental Technologies Share Option Scheme"	:	The proposed Leader Environmental Technologies Share Option Scheme, as may be amended or modified from time to time
"Leader Environmental Technologies Share Award Plan"	:	The proposed Leader Environmental Technologies Share Award Plan, as may be amended or modified from time to time
"Listing Manual"	:	The Listing Manual of the SGX-ST as may be amended, modified or supplemented from time to time
"Market Price"	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five consecutive trading days immediately preceding the date of grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
"Non-Executive Directors"	:	A director of the Company and/or any of its subsidiaries, as the case may be, other than one who performs an executive function
"Notice of EGM"	:	The notice of EGM which is set out on pages N-1 of this Circular
"NTA"	:	Net tangible assets
"Option"	:	The right to subscribe for Shares granted or to be granted to a participant pursuant to the Leader Environmental Technologies Share Option Scheme and for the time being subsisting
"Proposed Adoption of the Leader Environmental Technologies Share Award Plan"	:	The proposed adoption of the Leader Environmental Technologies Share Award Plan
"Proposed Adoption of the Leader Environmental Technologies Share Option Scheme"	:	The proposed adoption of the Leader Environmental Technologies Share Option Scheme
"Proposed Grant of Discounted Options"	:	The proposed grant of Options under the Leader Environmental Technologies Employee Share Scheme at a discount subject to the rules of the Leader Environmental Technologies Share Option Scheme
"Register"	:	The register of members of the Company
"Remuneration Committee"	:	The remuneration committee of the Company

DEFINITIONS

"SFA"	:	The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
"Shares"	:	Ordinary shares in the capital of the Company
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
"Substantial Shareholder"	:	A person who, in accordance with the Companies Act, has an interest in not less than five per cent. of the issued voting Shares
"S\$" and "cents"	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
"%" or "per cent."	:	Per centum or percentage

The terms "**associate**" and "**associated company**" shall have the meanings ascribed to them respectively in the Listing Manual.

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act.

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

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Act, the SFA, the Listing Manual or that modification, as the case may be.

Any reference to a time of day or date in this Circular shall be a reference to a time of day or date, as the case may be, in Singapore unless otherwise specified.

In this Circular, unless otherwise stated, the total number of issued Shares in the capital of the Company is 1,534,878,360 Shares (excluding treasury shares) as at the Latest Practicable Date. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to (a) the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme, (b) the Proposed Grant of Options under the Leader Environmental Technologies Share Option Scheme, and (c) the Proposed Adoption of the Leader Environmental Technologies Share Award Plan.

LETTER TO SHAREHOLDERS

LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200611799H)

Board of Directors:

Lin Yucheng	(Executive Chairman)
Ngoo Lin Fong	(Executive Director)
Lin Baiyin	(Non-Executive Director)
Lim Kuan Meng	(Lead Independent Non-Executive Director)
Mak Yen-Chen Andrew	(Independent Non-Executive Director)
Lee Suan Hiang	(Independent Non-Executive Director)

Registered Office:

38 Beach Road
#29-11
South Beach Tower
Singapore 189767

8 December 2021

To: The Shareholders of the Company

Dear Sir/Madam

- (I) **THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME;**
- (II) **THE PROPOSED GRANT OF OPTIONS UNDER THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AT A DISCOUNT; AND**
- (III) **THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN**

1. INTRODUCTION

1.1 The Directors are convening the EGM to be held on 23 December 2021 to seek Shareholders' approval for the following proposals:

- (a) the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme as an ordinary resolution ("**Ordinary Resolution 1**");
- (b) the Proposed Grant of Discounted Options as an ordinary resolution ("**Ordinary Resolution 2**"); and
- (c) the Proposed Adoption of the Leader Environmental Technologies Share Award Plan as an ordinary resolution ("**Ordinary Resolution 3**"),

(collectively, the "**Resolutions**").

Shareholders should note that each of Ordinary Resolution 1 and Ordinary Resolution 3 is independent and the passing of Ordinary Resolution 1 and/or Ordinary Resolution 3 is not conditional upon the passing of any other resolution tabled at the EGM. The passing of Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1.

1.2 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme and the Proposed Adoption of the Leader Environmental Technologies Share Award Plan to be tabled at the EGM.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports contained in this Circular.

LETTER TO SHAREHOLDERS

- 1.3 The SGX-ST has on 26 November 2021 granted its approval in-principle for the listing and quotation of the new Shares to be allotted and issued (from time to time upon the exercise of Options granted and/or vesting of Awards granted) pursuant to the Leader Environmental Technologies Share Option Scheme and Leader Environmental Technologies Share Award Plan, subject to, *inter alia*, Shareholders' approval being obtained for the Leader Environmental Technologies Share Option Scheme and Leader Environmental Technologies Share Award Plan. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Leader Environmental Technologies Share Option Scheme, the Leader Environmental Technologies Share Award Plan, the new Shares, the Company and/or its subsidiaries.

2. THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

The Company proposes to adopt a share option scheme known as the "Leader Environmental Technologies Share Option Scheme" which will be subject to Shareholders' approval at the EGM. Capitalised terms used throughout this section, unless otherwise defined within this section, shall bear the meanings as defined in the "Rules of the Leader Environmental Technologies Share Option Scheme" as set out in Appendix A of this Circular.

The Leader Environmental Technologies Share Option Scheme is proposed with the objective of, amongst others, aligning the interests of the Participants with the interests of the Shareholders, motivating Participants to achieve performance targets of the Company and offering a total compensation package sufficiently competitive to attract and retain talent to help achieve the Company's corporate objectives.

2.1 Summary of the Rules of the Leader Environmental Technologies Share Option Scheme

The rules of the Leader Environmental Technologies Share Option Scheme are set out in Appendix A of this Circular. A summary of the rules of the Leader Environmental Technologies Share Option Scheme is set out as follows:

Eligibility

Selected Group Employees who hold such rank as may be designated by the Remuneration Committee, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and Associates of Controlling Shareholders shall be eligible to participate in the Leader Environmental Technologies Share Option Scheme at the absolute discretion of the Remuneration Committee provided that each such person has attained the age of twenty-one (21) years and is not an undischarged bankrupt.

The selection of a participant and the number of Shares which are the subject of each Option to be granted in accordance with the Leader Environmental Technologies Share Option Scheme shall be determined in the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and, if applicable, the extent of effort to achieve the performance target(s) within the performance period.

Administration

The Leader Environmental Technologies Share Option Scheme shall be administered by the Remuneration Committee with such powers and duties conferred to it by the Board of Directors. A member of the Remuneration Committee who is also a Participant of the Leader Environmental Technologies Share Option Scheme must not be involved in its deliberation or decision in respect of the Option granted or to be granted to him.

LETTER TO SHAREHOLDERS

Size of the Leader Environmental Technologies Share Option Scheme

The aggregate number of Shares over which the Remuneration Committee may grant Options under the Leader Environmental Technologies Share Option Scheme, when aggregated with the number of Shares over which options or awards granted under any other share option schemes or share plans of the Company, shall not exceed 15% of the total number of issued Shares excluding treasury shares and subsidiary holdings preceding from time to time.

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the Leader Environmental Technologies Share Option Scheme on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the Leader Environmental Technologies Share Option Scheme;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the Leader Environmental Technologies Share Award Plan; and
- (c) the total number of Shares subject to any other share option or share schemes of the Company,

shall not exceed 15% of the total number of all issued Shares excluding treasury shares and subsidiary holdings on the day preceding that date.

The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Leader Environmental Technologies Share Option Scheme to participants who are Controlling Shareholders and/or Associates of Controlling Shareholders shall not exceed 25% of the total number of Shares available under the Leader Environmental Technologies Share Option Scheme.

The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Leader Environmental Technologies Share Option Scheme to each participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Leader Environmental Technologies Share Option Scheme.

However, it does not necessarily mean that the Remuneration Committee will definitely issue Option Shares up to the prescribed limit. The Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each participant which will depend on the performance and value of the participant to the Group.

Grant of Options

There are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time at the discretion of the Remuneration Committee.

However, no option shall be granted during the period of one (1) month immediately preceding the date of announcement of our Company's half year and full year results. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which the aforesaid announcement is made.

LETTER TO SHAREHOLDERS

Acceptance of Options

The grant of Options shall be accepted within 30 days from the Date of Grant of that Option. Offers of Options made to Grantees, if not accepted in the manner as provided in the Leader Environmental Technologies Share Option Scheme, shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect. Upon acceptance of the offer, the Grantee must pay the Company a consideration of S\$1.00.

Options Exercise Period and Exercise Price

The Options that are granted under the Leader Environmental Technologies Share Option Scheme may have Exercise Prices that are, at the discretion of the Remuneration Committee:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

Subject as provided in the Leader Environmental Technologies Share Option Scheme and any other conditions as may be introduced by the Remuneration Committee from time to time, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, as follows:

- (a) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Remuneration Committee); and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

Exercise of Options

Subject to the applicable laws and the rules of the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon exercise of their Options by way of either (a) an allotment of new Shares; and/or (b) a transfer of existing Shares, including any Shares held by the Company in treasury.

In determining whether to issue new Shares to Participants upon exercise of their Options, the Company will take into account factors such as, but not limited to, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing new Shares and delivering existing Shares.

The financial effects of the above methods are discussed below.

LETTER TO SHAREHOLDERS

Termination of Options

Special provisions in the rules of the Leader Environmental Technologies Share Option Scheme deal with the lapse or earlier exercise of Options in certain circumstances which include the termination of the Participant's employment, the bankruptcy of the Participant and the winding-up of the Company.

Rights of Shares arising

Shares arising from the exercise of an Option shall be subject to the provisions of the Companies Act and the Constitution of the Company and rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the later of (a) relevant date of issue; and (b) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the Leader Environmental Technologies Share Option Scheme

The Leader Environmental Technologies Share Option Scheme shall continue in operation at the discretion of the Remuneration Committee for a maximum period of 10 years commencing on the date on which the Leader Environmental Technologies Share Option Scheme is adopted by the Company in a general meeting, provided that the Leader Environmental Technologies Share Option Scheme may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The Leader Environmental Technologies Share Option Scheme may be terminated at any time by the Remuneration Committee and by resolution of the Company in a general meeting, subject to all relevant approvals which may be required being obtained. The termination of the Leader Environmental Technologies Share Option Scheme shall not affect Options which have been granted in accordance with the Leader Environmental Technologies Share Option Scheme.

Abstention from Voting

Shareholders who are eligible to participate in the Leader Environmental Technologies Share Option Scheme are to abstain from voting on any Shareholders' resolution relating to the Leader Environmental Technologies Share Option Scheme, including any Shareholders' resolution relating to the implementation of the Leader Environmental Technologies Share Option Scheme, or the making of offers and grants of Options under the Leader Environmental Technologies Share Option Scheme at a discount not exceeding the maximum discount, or the participation by, and options granted to, Associates of Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Adjustment Events

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the Exercise Price of the Options, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which Options may be granted under the Leader Environmental Technologies Share Option Scheme,

LETTER TO SHAREHOLDERS

shall be adjusted in such manner by the Remuneration Committee to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made as if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

The following events will not normally be regarded as a circumstance requiring adjustment: (a) The issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in a general meeting, including the Leader Environmental Technologies Share Option Scheme; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any loan stock or any securities convertible into Shares by the Company.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Modifications to the Leader Environmental Technologies Share Option Scheme

The Leader Environmental Technologies Share Option Scheme may be modified and/or altered from time to time by a resolution of the Remuneration Committee, subject to the compliance with the requirements of the Listing Manual and the requirements of any other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of Participants who, if they exercise their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options under the Leader Environmental Technologies Share Option Scheme.

No alteration shall be made to certain rules of the Leader Environmental Technologies Share Option Scheme to the advantage of the Participants under the Leader Environmental Technologies Share Option Scheme except with the prior approval of our Shareholders in a general meeting.

Grant of Incentive Options with a Discounted Price

The ability to offer Incentive Options to Participants of the Leader Environmental Technologies Share Option Scheme with Exercise Prices set at a discount to the prevailing Market Prices of our Shares will operate as a means to recognise the performance of Participants as well as to motivate them to continue to excel. Incentive Options would be perceived in a more positive light by the Participants, inspiring them to work hard and produce results in order to be offered Incentive Options, as only Participants who have made outstanding contributions to the success and development of our Group would be granted Incentive Options.

The flexibility to grant Incentive Options is also intended to cater to situations where stock market performance has overrun the general market conditions. In such events, the Remuneration Committee will have absolute discretion to:

LETTER TO SHAREHOLDERS

- (a) grant Incentive Options set at a discount to the Market Price of a Share (subject to a maximum limit of 20%); and
- (b) determine the Participants to whom, and the Incentive Options to which, such reduction in Exercise Prices will apply.

In determining whether to give a discount and the quantum of such discount, the Remuneration Committee shall be at liberty to take into consideration factors including the performance of the Company, our Group, the performance of the Participant concerned, the contribution of the Participant to the success and development of our Group and the prevailing market conditions. The Remuneration Committee (in its absolute discretion) will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by the Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, and from time to time, subject to a maximum discount of 20% of the Market Price of a Share. The discretion to grant Incentive Options will, however, be used judiciously.

It is envisaged that the Company may consider granting the Incentive Options under circumstances including (but not limited to) the following:

- (a) firstly, where it is considered more effective to reward and retain talented employees by way of a discounted price option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the discounted price option serves as additional incentive to such Participants. Options granted by the Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Options at a discount would allow the Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to Participants to realise some tangible benefits even if external events cause our Share price to remain largely static;
- (b) secondly, where it is more meaningful and attractive to acknowledge a Participant's achievements through a discounted price option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or discounted price options, as part of eligible Participants' compensation packages. The Leader Environmental Technologies Share Option Scheme will provide Participants with an incentive to focus more on improving the profitability of our Group thereby enhancing Shareholders' value when these are eventually reflected through the price appreciation of our Shares after the vesting period; and
- (c) thirdly, where due to speculative forces and having regard to the historical performance of our Share price, the market price of our Shares at the time of the grant of the Incentive Options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Such flexibility in determining the quantum of discount would enable the Remuneration Committee to tailor the incentives in the grant of Incentive Options to be commensurate with the performance and contribution of each individual Participant. By individually recognising the degree of performance and contribution of each Participant, the granting of Incentive Options

LETTER TO SHAREHOLDERS

at a commensurate discount would enable the Remuneration Committee to provide incentives for better performance, greater dedication and loyalty of the Participants.

The Company may also grant Market Price Options without any discount to the Market Price of our Shares. Additionally, the Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the Market Price or at a discount to the Market Price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

2.2 Disclosure in Annual Report

The Company will make such disclosures in its annual report for so long as the Leader Environmental Technologies Share Option Scheme continues in operation:

- (a) the names of the members of the Remuneration Committee administering the Leader Environmental Technologies Share Option Scheme;
- (b) the information required in the table below for the following Participants:
 - (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who received 5% or more of the total number of Shares to be comprised in Options available under the Leader Environmental Technologies Share Option Scheme;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of financial year under review	Aggregate Options exercised since commencement of Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) the number and proportion of Incentive Options granted at the following discounts to the Market Price in the Financial Year under review:
 - (i) Incentive Options granted at up to 10% discount; and
 - (ii) Incentive Options granted at more than 10% but not more than 20% discount;
- (d) such other information as may be required by the Listing Manual or the Companies Act; and
- (e) an appropriate negative statement in the event the disclosure of any of the abovementioned information is not applicable.

3. THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

The Company proposes to adopt a share award plan known as the "Leader Environmental Technologies Share Award Plan" which will be subject to Shareholders' approval at the EGM. Capitalised terms used throughout this section, unless otherwise defined within this section,

LETTER TO SHAREHOLDERS

shall bear the meanings as defined in the "Rules of the Leader Environmental Technologies Share Award Plan" as set out in Appendix B of this Circular.

The Leader Environmental Technologies Share Award Plan contemplates the contingent award of fully-paid Shares after certain pre-determined benchmarks have been met.

Under the Leader Environmental Technologies Share Award Plan, the size of the Award granted to a Participant will be determined based on, among others, his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group as determined by the Remuneration Committee prior to the date of grant. The performance period here is a forward-looking period for which performance conditions and targets are set and measured over the performance period. The final Award is determined by the performance achievement over the performance period. The performance period, vesting period and other conditions will be determined by the Remuneration Committee administering the Leader Environmental Technologies Share Award Plan.

3.1 Summary of Rules

The rules of the Leader Environmental Technologies Share Award Plan are set out in Appendix B of this Circular. A summary of the rules of the Leader Environmental Technologies Share Award Plan is set out as follows:

Eligibility

Selected Group Employees who hold such rank as may be designated by the Remuneration Committee, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and Associates of Controlling Shareholders shall be eligible to participate in the Leader Environmental Technologies Employee Share Award Plan at the absolute discretion of the Remuneration Committee provided that each such person has attained the age of twenty-one (21) years and is not an undischarged bankrupt.

The selection of a participant and the number of Shares which are the subject of each Award to be granted in accordance with the Leader Environmental Technologies Share Award Plan shall be determined in the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and, if applicable, the extent of effort to achieve the performance target(s) within the performance period.

Administration

The Leader Environmental Technologies Share Award Plan shall be administered by the Remuneration Committee with such powers and duties conferred to it by the Board of Directors. A member of the Remuneration Committee who is also a Participant of the Leader Environmental Technologies Share Award Plan must not be involved in its deliberation or decision in respect of the Awards granted or to be granted to him.

Size of the Leader Environmental Technologies Share Award Plan

The aggregate number of Shares over which the Remuneration Committee may grant new Awards on any date, when aggregated with the number of Shares over which options or awards granted under any other share option schemes or share plans of the Company, shall not exceed 15% of the total number of all issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

LETTER TO SHAREHOLDERS

Maximum Entitlements

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Leader Environmental Technologies Share Award Plan on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Awards already granted under the Leader Environmental Technologies Share Award Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued Shares (including treasury Shares) delivered and/or to be delivered pursuant to Options already granted under the Leader Environmental Technologies Share Option Scheme; and
- (c) the total number of Shares subject to any other share option or share schemes of the Company,

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time on the day preceding the grant of the relevant new Awards.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Leader Environmental Technologies Share Award Plan to participants who are Controlling Shareholders and/or Associates of Controlling Shareholders shall not exceed 25% of the total number of Shares available under the Leader Environmental Technologies Share Award Plan.

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Leader Environmental Technologies Share Award Plan to each participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Leader Environmental Technologies Share Award Plan.

However, it does not necessarily mean that the Remuneration Committee will definitely issue the Award Shares up to the prescribed limit. The Remuneration Committee shall exercise its discretion in deciding the number of Award Shares to be granted to each participant which will depend on the performance and value of the participant to the Group.

Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

An Award shall be personal to the Participant and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee.

Details of Awards

The Remuneration Committee shall decide, in relation to each Award to be granted to a Participant:

- the Participant;

LETTER TO SHAREHOLDERS

- the date on which the Award is to be granted;
- the Performance Period;
- the number of Shares which are the subject of the Award (subject to the rules of the Leader Environmental Technologies Share Award Plan);
- the performance condition(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- the extent to which Award Shares shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
- the vesting date; and
- any other condition which our Remuneration Committee may determine in relation to that Award.

Timing of Awards

Awards may be granted at any time during the period when the Leader Environmental Technologies Share Award Plan is in force. An Award Letter confirming the Award and specifying, *inter alia*, the date of the grant of the Award, the number of Shares which are the subject of the Award, the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) are to be attained or fulfilled and the extent to which Shares which are the subject of the Award will be released on satisfaction of the prescribed performance condition(s), the vesting date of the Award any other condition which the Remuneration Committee may determine in relation to that Award, will be sent to each Participant as soon as reasonably practicable after the making of an Award.

Vesting of Awards

Subject to the applicable laws, the Company will deliver Shares to Participants upon vesting of their Awards by way of either (a) an issue of new Shares; or (b) a transfer of Shares then held by the Company in treasury.

In determining whether to issue new Shares to Participants upon vesting of their Awards, the Company will take into account factors such as, but not limited to, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

Events prior to vesting

- (a) An Award shall, to the extent not yet Released, immediately without any claim whatsoever against the Company:
 - (i) in the event of misconduct on the part of the Participant as determined by the Remuneration Committee in its discretion;
 - (ii) subject to Rule 6.2(b) of the Leader Environmental Technologies Share Award Plan, upon the Participant, ceasing to be in the employment of the Group for any reason whatsoever; or
 - (iii) in the event that an order is made for the winding-up of the Company on the

LETTER TO SHAREHOLDERS

basis of, or by reason of, its insolvency.

A Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

- (b) In any of the following events:
- (i) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
 - (ii) where the Participant ceases to be in the employment of the Group, by reason of:
 - (A) ill health, injury or disability (in each case, evidenced to the satisfaction of the Remuneration Committee);
 - (B) redundancy;
 - (C) retirement at or after the legal retirement age;
 - (D) retirement before the legal retirement age with the consent of the Remuneration Committee;
 - (E) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (F) (where applicable), his transfer of employment between companies within the Group;
 - (G) his transfer to any Ministry, governmental or statutory body or corporation at the direction of the Company; or
 - (H) any other event approved by the Remuneration Committee;
 - (iii) the death of a Participant; or
 - (iv) any other event approved by the Remuneration Committee,

the Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

- (c) If any of the following occurs:
- (i) a take-over offer for the Shares becomes or is declared unconditional;
 - (ii) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with

LETTER TO SHAREHOLDERS

another company or companies being approved by shareholders of the Company and/or sanctioned by the court under any applicable laws; or

- (iii) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(c) of the Leader Environmental Technologies Share Award Plan or for amalgamation or reconstruction),

the Remuneration Committee will consider, at its discretion, whether or not to Release such Award. If the Remuneration Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the Performance Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. If the Remuneration Committee so determines, the Release may be satisfied by way of an allotment or transfer of Shares to the Participant as provided in Rule 7 of the Leader Environmental Technologies Share Award Plan.

Rights of Shares arising

New Shares allotted and issued and existing Shares procured by the Company for transfer on the release of an Award shall (a) be subject to all the provisions of the Constitution of the Company; and (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the later of (i) the vesting date of the Award; and (ii) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Duration of the Leader Environmental Technologies Share Option Scheme

The Leader Environmental Technologies Share Award Plan shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Leader Environmental Technologies Share Award Plan is adopted by the Company in general meeting, provided always that the Leader Environmental Technologies Share Award Plan may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Leader Environmental Technologies Share Award Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

Abstention from Voting

Shareholders who are eligible to participate in the Leader Environmental Technologies Share Award Plan are to abstain from voting on any shareholders' resolution relating to the Leader Environmental Technologies Share Award Plan, including any Shareholders' resolution relating to the implementation of the Leader Environmental Technologies Share Award Plan, or the participation by, and Awards granted to Associates of Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Adjustment Events

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not

LETTER TO SHAREHOLDERS

yet Vested; and/or

- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Leader Environmental Technologies Share Award Plan,

shall be adjusted in such manner as the Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

The following events will not normally be regarded as a circumstance requiring adjustment: (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Upon any adjustment being made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

3.2 Disclosure in Annual Report

The Company will make such disclosures in its annual report for so long as the Leader Environmental Technologies Share Award Plan continues in operation:

- (a) the names of the members of the Remuneration Committee administering the Leader Environmental Technologies Share Award Plan;
- (b) the information required in the table below for the following Participants:
- (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and Associates of Controlling Shareholder(s); and
 - (iii) Participants, other than those in (i) and (ii) above, who received 5% or more of the total number of Shares to be comprised in Awards available under the Leader Environmental Technologies Share Award Plan; and

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have been allotted and/or transferred pursuant to the Vesting of Awards since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review

LETTER TO SHAREHOLDERS

- (c) such other information as may be required by the Listing Manual or the Companies Act; and
- (d) an appropriate negative statement in the event the disclosure of any of the abovementioned information is not applicable.

4. RATIONALE FOR AND BENEFITS OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

The purpose of adopting the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan is to provide an opportunity for the directors and employees of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to their contributions and services. The Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan are proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and directors of the Group who have contributed to the growth of the Group.

The objectives of the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan are as follows:

- to retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- to instill loyalty to, and a stronger sense of identification by employees with the long-term prosperity of, the Group;
- to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- to align the interests of Participants with the interests of Shareholders.

The Leader Environmental Technologies Share Award Plan will provide eligible Participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

Difference between the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan

The purpose of adopting more than one share plan is to give the Company more flexibility to design appropriate incentive packages. The Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan will complement each other as tools to reward, retain and motivate the Participants whose services and contributions are vital to the well-being and success of the Group.

While the Leader Environmental Technologies Share Option Scheme is designed to provide its Participants with an opportunity to participate in the equity of the Company through Options which they may exercise to subscribe for Shares upon payment of the Exercise Price, the Leader Environmental Technologies Share Award Plan is designed to reward Participants by the award of Shares, through the Vesting of such Awards according to the extent to which the Performance Conditions (if any) imposed on the Award are achieved at the end of a specified Performance Period. The duration of each Performance Period (if applicable) will serve to align the Participants' performance goals with the corresponding performance cycle of the Company, and the strategies and objectives for the Group over the short to medium term.

LETTER TO SHAREHOLDERS

The Leader Environmental Technologies Share Award Plan thus seeks to focus Participants on short to medium term critical performance targets, to develop a reward-for-performance culture in the Group, and to encourage Participants to continuously improve their performance. As the actual number of Award Shares which the Participant will receive under the Leader Environmental Technologies Share Award Plan will depend ultimately on the extent to which he satisfies the Performance Condition(s) set for each Performance Period, this creates a strong incentive for the Participant to focus on assigned tasks and to excel.

When deciding on the number of Award Shares or Options to award or grant (as the case may be) to a Participant at any one point in time, the Remuneration Committee will also take into consideration the number of Award Shares or Options to be awarded or granted (as the case may be) to that Participant under any other share scheme at that time, if any.

Generally, in setting performance conditions or benchmarks for Participants under the Leader Environmental Technologies Share Award Plan, the Remuneration Committee intends to consider the previous and current performance of each Participant, and seek to set performance targets or benchmarks which are incremental and are an improvement from the previous or current performance of the Participant, in order to drive the improvement in performance for the Company. In setting such performance conditions, the Remuneration Committee will also take into consideration relevant factors such as the Participant's years of service with the Company, market conditions, scope of work of the Participant and when such Participant's work performance may be more appropriately determined on a project basis, and any qualitative criteria which may constitute appropriate performance conditions. On the other hand, the assessment criteria in relation to the grant of Options pursuant to the Leader Environmental Technologies Share Option Scheme are more general and factors such as the employee's seniority, performance, length of service and potential for future development are relevant. These do not relate to specific performance conditions or targets that have to be met.

5. FINANCIAL EFFECTS OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

(a) Share capital

The Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan will result in an increase in the Company's issued share capital when new Shares are issued to Participants upon the exercise of the Options or pursuant to the Awards, as the case may be. The number of new Shares issued will depend on, *inter alia*, in the case of the Awards, the size of the Awards granted under the Leader Environmental Technologies Share Award Plan and in the case of Options, the number of Shares comprised in the Options, the number of Options that are exercised and the Exercise Price of the Shares comprised in the Options. In any case, the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan each provides that the number of Shares to be issued or transferred under the Leader Environmental Technologies Share Option Scheme or the Leader Environmental Technologies Share Award Plan (as the case may be), when aggregated with the aggregate number of shares which options are granted under any other share option schemes of the Company (including the Leader Environmental Technologies Share Option Scheme or the Leader Environmental Technologies Share Award Plan (as the case may be)), will be subject to the maximum limit of 15% of the Company's total number of issued shares (excluding Shares held by the Company as treasury shares and subsidiary holdings) from time to time. If instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan will have no impact on the Company's issued share capital.

LETTER TO SHAREHOLDERS

(b) **NTA**

As described in paragraph (c) below on EPS, the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan are likely to result in a charge to the Company's income statement upon the exercise of the Options and/or over the period from the grant date to the vesting date of the Awards (as the case may be). The amount of the charge will be computed in accordance with Singapore Financial Reporting Standard (International) 2 – Share-based Payment ("**SFRS(I) 2**").

When new Shares are issued under the Leader Environmental Technologies Share Award Plan, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased.

It should be noted that the delivery of Shares to Participants under the Leader Environmental Technologies Share Award Plan will generally be contingent upon the eligible Participants meeting prescribed performance targets and conditions.

The issue of new Shares upon the exercise of the Options will increase the Company's consolidated NTA by the aggregate Exercise Price of the new Shares issued. On a per Share basis, the effect on the NTA of the Company will be accretive if the Exercise Price is above the Company's consolidated NTA per Share, but dilutive otherwise.

(c) **EPS**

The issuance of new Shares under the Leader Environmental Technologies Share Award Plan and/or upon the exercise of Options granted under the Leader Environmental Technologies Share Option Scheme will have a dilutive impact on the consolidated EPS of the Group.

The Leader Environmental Technologies Share Award Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2.

It should again be noted that the delivery of Shares to Participants of the Leader Environmental Technologies Share Award Plan will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

(d) **Potential Cost of Awards and Options**

The grant of any Options and Awards under the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan respectively, is considered a share-based payment that falls under SFRS(I) 2.

Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the Leader Environmental Technologies Share Option Scheme is required, as described in the following paragraphs:

LETTER TO SHAREHOLDERS

- (i) The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant of the Options, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company's consolidated profit and loss statement ("**P&L**") over the vesting period.
- (ii) Before the end of the vesting period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the Vesting Date is revised, and the impact of the revised estimate is recognised in the consolidated P&L. After the Vesting Date, no adjustment of the charge to the consolidated P&L is made.

With respect to the Awards, as Participants will receive Shares in settlement of the Awards, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

- (A) The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The amount recognised as an expense is adjusted to reflect the number of Awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of Awards that meet the service and non-market performance conditions at the vesting date of such Award. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the amount charged to the income statement is made.
- (B) The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by the Chief Financial Officer at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the awards do not ultimately vest.

6. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND ASSOCIATES OF CONTROLLING SHAREHOLDERS IN THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

An employee who is a Controlling Shareholder of the Company or an Associate of a Controlling Shareholder shall be eligible to participate in the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan if (a) his participation in the Leader Environmental Technologies Share Option Scheme and/or the Leader Environmental Technologies Share Award Plan and (b) the actual or maximum number

LETTER TO SHAREHOLDERS

of Options and/or Shares and terms of the Options and/or Awards to be granted to him (as the case may be) have been approved by independent Shareholders of the Company at a general meeting in separate resolutions for each such person. The relevant employee is required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on, the resolutions in relation to the Leader Environmental Technologies Share Option Scheme and/or Leader Environmental Technologies Share Award Plan (as the case may be).

One of the main objectives of the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan is to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group. The objectives of the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan apply equally to employees who are Controlling Shareholders or Associates of Controlling Shareholders. The Company's view is that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders. It is in the Company's interest to incentivise outstanding employees who have contributed to the growth of the Group.

Although employees who are Controlling Shareholders and Associates of Controlling Shareholders have or may already have shareholding interests in the Company, the extension of the Leader Environmental Technologies Share Award Plan and the Leader Environmental Technologies Share Option Scheme to allow them the opportunity to participate in the Leader Environmental Technologies Share Award Plan and the Leader Environmental Technologies Share Option Scheme will ensure that they are as entitled as other Group employees, to participate in and benefit from this system of remuneration. The Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan are intended to be part of the Company's system of employee remuneration and the Company is of the view that employees who are Controlling Shareholders or Associates of Controlling Shareholders should not be unduly discriminated against by virtue only of their shareholding in the Company.

7. PARTICIPATION BY NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME AND THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

Although Non-Executive Directors are not involved in the day-to-day running of the Group's operations, they play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. The participation by Non-Executive Directors in the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, the Non-Executive Directors may bring strategic or other value to the Company which may be difficult to quantify in monetary terms. The grant of options or Awards to Non-Executive Directors will allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company as Non-Executive Directors, and to motivate existing Non-Executive Directors to take extra efforts to promote the interests of the Company and/or the Group.

In order to minimise any potential conflict of interests and to not compromise the independence of the Non-Executive Directors, our Non-Executive Directors will primarily continue to be remunerated for their services by way of directors' fees and the Company intends to grant only a nominal number of Options and/or Awards under the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan to Non-Executive Directors.

LETTER TO SHAREHOLDERS

Our Remuneration Committee when deciding on the selection of Non-Executive Directors to participate in the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan will take into consideration the nature and extent of their services and contributions rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Group, as well as their involvement and commitment to the Board. Non-Executive Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of options and/or awards to him is being considered.

In relation to Non-Executive Directors who are independent Directors, it is the intention that any option or award granted to such Directors be measured and balanced against considerations if such award could interfere or be reasonably perceived to interfere with the exercise of independent business judgement by the independent Director. Taking the foregoing into consideration, the Board is of the view that the Leader Environmental Technologies Share Option Scheme and Leader Environmental Technologies Share Award Plan will not compromise the objectivity and independence of the independent Directors.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 Interests of Directors

The interests of the Directors in the Shares as at the Latest Practicable Date, are set out below:

Name of Director	Direct Interest (No. of Shares ⁽¹⁾)	%	Deemed Interest (No. of Shares ⁽¹⁾)	%
Lin Yucheng	414,779,500	27.02	-	-
Ngoo Lin Fong	18,717,000	1.22	-	-
Lin Baiyin	1,000,000	0.07	4,000 ⁽²⁾	0.00
Lim Kuan Meng	-	-	-	-
Mak Yen-Chen Andrew	-	-	-	-
Lee Suan Hiang	5,000,000	0.33	3,000,000 ⁽³⁾	0.20

Notes:

- (1) Based on 1,534,878,360 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Jingold Resources Limited is an investment holding company incorporated in the BVI and is owned by Lin Baiyin (an Executive Director of the Company). By virtue of Section 7 of the Companies Act, Lin Baiyin is deemed interested in 100% of the 4,000 ordinary shares held by Jingold Resources Limited in the Company, and is deemed interested in the 4,000 ordinary shares held through his nominee, Bank of Singapore.
- (3) Lee Suan Hiang is deemed interested to be interested in the 3,000,000 Shares held through his nominee, DBS Nominees Pte. Ltd. in the Company.

8.2 Interests of Substantial Shareholders

The interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date, are set out below:

Name of Substantial Shareholder	Direct Interest (No. of Shares(1))	%	Deemed Interest (No. of Shares(1))	%
Lin Yucheng	414,779,500	27.02	-	-
Pan Shuhong ⁽²⁾	165,000,000	10.75	3,199,000	0.21

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on 1,534,878,360 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Pan Shuhong is deemed to be interested in 3,199,000 Shares held through her nominee, OCBC Securities Private Limited.

8.3 Abstention of Voting

As all of the Directors will be eligible to participate in the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan, the Directors and their respective Associates shall abstain from voting in respect of their holdings of Shares (if any) at the EGM in respect of Ordinary Resolution 1 in relation to the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme, Ordinary Resolution 2 in relation to the Proposed Grant of Discounted Options and Ordinary Resolution 3 in relation to the Proposed Adoption of the Leader Environmental Technologies Share Award Plan.

Any Shareholder entitled to participate in the Leader Environmental Technologies Share Option Scheme and the Leader Environmental Technologies Share Award Plan, shall abstain from voting in the EGM in respect of Ordinary Resolution 1 in relation to the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme, Ordinary Resolution 2 in relation to the Proposed Grant of Discounted Options and Ordinary Resolution 3 in relation to the Proposed Adoption of the Leader Environmental Technologies Share Award Plan.

9. DIRECTORS' RECOMMENDATION

9.1 Proposed Adoption of the Leader Environmental Technologies Share Option Scheme

As all of the Directors are eligible to participate in the Leader Environmental Technologies Share Option Scheme, they are therefore, deemed to be interested in the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme. Accordingly, all Directors have refrained from making any recommendations to Shareholders in respect of Ordinary Resolution 1 as set out in the Notice of EGM.

9.2 Proposed Grant of Discounted Options

As all of the Directors are eligible to participate in the Leader Environmental Technologies Share Option Scheme, they are therefore, deemed to be interested in the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme. Accordingly, all Directors have refrained from making any recommendations to Shareholders in respect of Ordinary Resolution 2 as set out in the Notice of EGM.

9.3 Proposed Adoption of the Leader Environmental Technologies Share Award Plan

As all of the Directors are eligible to participate in the Leader Environmental Technologies Share Award Plan, they are therefore, deemed to be interested in the Proposed Adoption of the Leader Environmental Technologies Share Award Plan. Accordingly, all Directors have refrained from making any recommendations to Shareholders in respect of Ordinary Resolution 3 as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

10. EXTRAORDINARY GENERAL MEETING

Date and time of EGM

The EGM is convened for the purpose of considering and, if thought fit, passing with or without any modification, the Resolutions as set out in the Notice of EGM.

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held by way of electronic means.

No attendance at EGM

Due to the current COVID-19 restriction orders in Singapore (including under the COVID-19 Act), **Shareholders will not be able to attend the EGM in person**. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) watching the EGM proceedings via "live" audio-visual webcast or listening to the EGM proceedings via "live" audio-only feed;
- (b) submitting questions in advance of the EGM; and/or
- (c) voting by appointing the Chairman as proxy at the EGM.

Please refer to Section 12 below for further details on the alternative arrangements.

In addition, Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

11. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM

In line with the provisions under the COVID-19 Order, no printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Shareholders.

A copy of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNet.

A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNet.

Shareholders are advised to read the Circular carefully in order to decide whether they should vote in favour of or against the Resolutions to be proposed at the EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Alternative arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

- (a) **"Live" audio-visual webcast and "live" audio-only stream**

LETTER TO SHAREHOLDERS

The Company's Remuneration Committee Chairman, Mr Mak Yen-Chen Andrew, will conduct the proceedings of the EGM as chairman of the EGM by electronic means, with the Chief Financial Officer, Mr. Lim Poh Yeow.

Shareholders and investors holding Shares through relevant intermediaries (including CPF Investors and SRS Investors) ("Investors") will be able to (i) watch these proceedings through a "live" audio-visual webcast via their mobile phones, tablets or computers, or (ii) listen to these proceedings through a "live" audio-only stream.

In order to do so, Shareholders and Investors must follow the following steps:

- (1) Those who wish to watch the "live" audio-visual webcast or listen to the "live" audio-only stream must pre-register no later than 10.00 a.m. on 20 December 2021, by clicking on the following link and submitting the online registration form: <https://convenagm.sg/leaderegm2021>.
- (2) They will be required to complete and submit the online registration form for authentication purposes.
- (3) Upon authentication of their status as Shareholders and Investors, authenticated Shareholders and Investors will receive an email confirmation by 22 December 2021 and will be able to access the webcast and audio feed of the EGM proceedings using their login credentials created during preregistration.

Shareholders who do not receive an email by 3.00 p.m. on 22 December 2021, but who have registered by the registration deadline, should contact our Share Registrar, M & C Services Private Limited, for assistance at (65) 62280530 or qpb@mncsingapore.com.

(b) Prior submission of questions

Shareholders may submit questions or matters related to the Ordinary Resolution to approve the Proposed Placement. All questions must be submitted by 10.00 a.m. on 20 December 2021 in the following manner:

- (1) via the pre-registration website at the following link: <https://convenagm.sg/leaderegm2021>; or
- (2) by email via the following email: queries@leaderet.com.

Each such matter raised by the Shareholders, if substantial and relevant and sent within a reasonable time before the EGM, will be responded to by the Company before or during the EGM.

The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.

Members will not be able to ask questions at the EGM "live" during the audio-visual webcast or audio-only stream.

(c) Voting by proxy only

Shareholders will not be able to attend the EGM in person or vote online at the EGM. Shareholders (whether individual or corporate) must vote by proxy only and appoint

LETTER TO SHAREHOLDERS

only the Chairman of the EGM to act as proxy and direct the vote at the EGM. Each Shareholder (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstention from voting, failing which the appointment will be treated as invalid.

All Shareholders are encouraged to complete, sign and return the enclosed Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach (i) by email to gpb@mncsingapore.com or (ii) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902, not later than **10.00 a.m. on 21 December 2021** (being 48 hours before the time fixed for the EGM).

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Investors who wish to appoint the Chairman of the EGM as their proxy should approach their respective relevant intermediaries or agent banks to submit their votes no later than **14 December 2021**, being seven (7) working days before the date of the EGM.

As the Company may make further changes to its EGM arrangements as the situation evolves, Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNet.

Depositor not member

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least 72 hours before the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme, the Proposed Grant of Discounted Options, the Proposed Adoption of the Leader Environmental Technologies Share Award Plan, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, the following documents are available for inspection during normal business hours at the registered office of the Company at 38 Beach Road #29-11 South Beach Tower, Singapore 189767, for a period commencing from the date of this Circular up to the date of the EGM:

LETTER TO SHAREHOLDERS

- (a) the constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2020;
- (c) the proposed rules of the Leader Environmental Technologies Share Option Scheme;
and
- (d) the proposed rules of the Leader Environmental Technologies Share Award Plan.

Yours faithfully

For and on behalf of the Board of Directors of
LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

Dr Lin Yucheng
Executive Chairman

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the "**Leader Environmental Technologies Share Option Scheme**".

2. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Adoption Date"	:	The date on which the Scheme is adopted by resolution of Shareholders of the Company
"Aggregate Subscription Cost"	:	The total amount payable for Shares which may be acquired on the exercise of an Option
"Associate"	:	Shall have the meaning ascribed to it in the Listing Rules
"Auditors"	:	The auditors of the Company for the time being
"Board"	:	The board of directors of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	The Remuneration Committee of the Company
"Company"	:	Leader Environmental Technologies Limited
"Constitution"	:	The Constitution of the Company, as amended from time to time
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or in fact exercises Control over the Company
"Date of Grant"	:	In relation to an Option, the date on which an Option is granted pursuant to Rule 5
"Exercise Period"	:	The period for the exercise of an Option, being a period commencing:

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- (a) after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of a Market Price Option; and
- (b) after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant in the case of an Incentive Option
- "Exercise Price"** : The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 6, as adjusted in accordance with Rule 12
- "Grantee"** : The person to whom an offer of an Option is made
- "Group"** : The Company and its subsidiaries
- "Group Employee"** : An employee of the Group (including any Group Executive Director who meet the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Scheme) selected by the Committee to participate in the Scheme in accordance with Rule 4
- "Group Executive Director"** : A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
- "Group Non-Executive Director"** : A director of the Company and/or any of its subsidiaries, as the case may be, other than one who performs an executive function
- "Incentive Option"** : An Option granted with the Exercise Price set at a discount to the Market Price
- "Market Day"** : A day on which the SGX-ST is open for trading in securities
- "Market Price"** : A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
- "Market Price Option"** : An Option granted with the Exercise Price set at the Market Price
- "Option"** : The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Scheme and for the time being subsisting
- "Participant"** : The holder of an Option

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

"Record Date"	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
"Rules"	:	Rules of the Scheme
"Scheme"	:	The Leader Environmental Technologies Share Option Scheme, as the same may be modified or altered from time to time
"Securities Account"	:	The securities account maintained by a Depositor with CDP
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	The registered holders for the time being of the Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Trading Day"	:	A day on which the Shares are traded on the SGX-ST
"S\$"	:	Singapore dollar
"%"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular number shall, where applicable, include the plural number admits and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

Any reference to a time of day shall be a reference to Singapore time.

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the Scheme shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE SCHEME

- 3.1 The Scheme is a share incentive scheme. The Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees who have contributed to the growth of the Group.
- 3.2 The objectives of the Scheme are as follows:
- (a) to retain key employees of our Group whose contributions are essential to the long-term growth and profitability of our Group;

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- (b) to instill loyalty to, and a stronger identification by Participants with the long-term prosperity of, our Company;
- (c) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (d) to align the interests of Participants with the interests of our Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Selected Group Employees who hold such rank as may be designated by the Committee, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and Associates of Controlling Shareholders shall be eligible to participate in the Scheme at the absolute discretion of the Committee provided that each such person has attained the age of twenty-one (21) years and is not an undischarged bankrupt.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Rule 4.1 above shall be eligible to participate in the Scheme provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares to be granted to them,

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Scheme of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

4.3 Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. GRANT AND ACCEPTANCE OF OPTIONS

5.1 Save as provided in Rule 11, the Committee may grant Options at any time during the period when the Scheme is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.

5.2 The Letter of Offer to grant the Option shall be in, or substantially in, the form set out in Schedule A-1, subject to such modification as the Committee may from time to time determine.

5.3 An option shall be personal to the person to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

5.4 The grant of an Option under this Rule 5 shall be accepted by the Grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the thirtieth day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Schedule B-1, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- 5.5 If a grant of an Option is not accepted in the manner as provided in Rule 5.4, such offer shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.
- 5.6 In the event that the grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null, void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

6. EXERCISE PRICE

6.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

6.2 The Exercise Price shall in no event be less than the nominal value of a Share. When the Exercise Price as determined above is less than the nominal value of a Share, the Exercise Price shall be the nominal value.

7. RIGHTS TO EXERCISE OPTIONS

7.1 Subject to Rule 8 and Rule 9 and any other conditions as may be introduced by the Committee from time to time, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, as follows:

- (a) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

8. EVENTS PRIOR TO EXERCISE OF OPTION

8.1 An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 8.2, upon the Participant ceasing to be in the employment of the Group, for any reason whatsoever;
- (c) in the event of an order being made or resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 8.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

8.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option;
- (b) where the Participant ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be,
 - (vi) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vii) (where applicable) his transfer of employment between companies within the Group;
 - (viii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (ix) any other event approved by the Committee; or
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

or any other reason approved in writing by the Committee, he (or, if a Participant dies, a duly appointed legal personal representative of the Participant) may, exercise any unexercised Option within the relevant Option Period and such unexercised Option shall continue to be exercisable by the Participant in the manner provided in the Scheme (unless otherwise decided

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

by the Committee at its absolute discretion), and upon the expiry of such period, the Option shall immediately lapse and become null and void.

9. TAKE-OVER AND WINDING UP OF THE COMPANY

Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto, whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

- 9.2 If: (a) under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, or (b) there is a change of Control of the Company, each Participant shall be entitled (subject to Rule 9.5), to exercise any Option then held by him, in respect of such number of Shares comprised in that Option, during the period: (i) in the case of scenario (a) above, commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, or (ii) in the case of scenario (b) above, commencing on the date upon which the change of Control becomes effective and ending on the expiry of 60 days thereafter (but in either case, not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.
- 9.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 9.4 In the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his legal personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the Aggregate Subscription Cost for the Shares in respect of which notice is given whereupon the

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 To the extent that an Option is not exercised within the periods referred to in this Rule 9, it shall lapse and become null and void.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1 Subject to Rule 7.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C-1 and Schedule C-2, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the full amount of the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the full amount of the Aggregate Subscription Cost as aforesaid. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 10.2 Subject to the Listing Rules and prevailing legislation, the Company shall have the flexibility to deliver Shares to Participants upon exercise of their Options by way of:
- (a) allotment of new Shares; and/or
 - (b) transfer of existing Shares, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):

- (i) the prevailing Market Price of the Shares;
- (ii) the prevailing Market Price of the Shares relative to the financial performance of the Company;
- (iii) the cash position of the Company;
- (iv) the projected cash needs of the Company;
- (v) the dilution impact (if any);
- (vi) the cost to the Company of either issuing new Shares or purchasing existing Shares; and

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- (vii) the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.
- 10.3 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Scheme and the Constitution of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, allot, transfer or procure the transfer (as the case may be) of the relevant Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 10.4 Where new Shares are allotted upon the exercise of an Option, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares, which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments in accordance with Rule 12.
- 10.5 Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or registered (as the case may be), as the Participant may elect, in the name of CDP to the credit of the Securities Account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.
- 10.6 Shares acquired upon the exercise of an Option shall:
 - (a) be subject to all the provisions of the Act and the Constitution of the Company; and
 - (b) shall rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or after the relevant exercise date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

11. LIMITATION ON THE SIZE OF THE SCHEME

- 11.1 The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of all issued Shares excluding treasury shares and subsidiary holdings on the day preceding that date.
- 11.2 The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Scheme.
- 11.3 The number of Shares which may be issued or transferred pursuant to Options granted under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Scheme.
- 11.4 Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the Scheme.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

12. ADJUSTMENT EVENTS

12.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the Exercise Price of the Shares, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which Options may be granted under the Scheme,

shall be adjusted in such manner by the Committee to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made as if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

12.2 The following events will not normally be regarded as a circumstance requiring adjustment: (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Plan; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

12.3 Notwithstanding the provisions of Rule 12.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Exercise Price thereafter in effect and class and/or number of Shares thereafter to be issued or transferred on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

13. ADMINISTRATION OF THE SCHEME

13.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

13.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme, to give effect to the provisions of the Scheme and/or to enhance the benefit of the Options and the Shares to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- 13.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.
- 13.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 13.5 The Committee shall ensure that the rules of the Plan are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Listing Rules.

14. NOTICES

- 14.1 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 14.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 14.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

15. MODIFICATIONS TO THE SCHEME

- 15.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except when the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

For the purposes of Rule 15.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Option shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 15.1 shall affect the right of the Committee under any provision of the Scheme to amend or adjust any Option and without due compliance with the Listing Rules and such other laws and regulations as may be applicable.

15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. DURATION OF THE SCHEME

17.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

17.2 The Scheme may be terminated at any time by the Committee, at the discretion of the Committee, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

17.3 The expiry or termination of the Scheme shall not affect Options which have been granted prior to such expiry or termination, whether such Options have been exercised (whether fully or partially) or not.

18. TAXES

All taxes (including income tax) arising from the grant or exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

19. COSTS AND EXPENSES

19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a Depository Agent.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- 19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or procuring the transfer of or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 10.4.

21. DISCLOSURE IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Scheme continues in operation and for so long as the Scheme continues in operation:

- (a) the names of the members of the Committee administering the Scheme;
- (b) in respect of the following Participants of the Scheme:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in (i) and (ii) above) who receive 5% or more of the total number of Shares comprised in Options available under the Scheme.

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of financial year under review	Aggregate Options exercised since commencement of Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) the names of and number and terms of Options granted to each director or employee of the Company or the Group who receives 5% or more of the total number of Options available to all directors and employees of the Company and the Group under the Scheme during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees of the Company and the Group for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review;
- (e) in respect of Incentive Options, the following disclosure shall be made:
 - (i) the number of Incentive Options granted at a discount of 10% or less and proportion to Market Price Options during the financial year under review; and

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

- (ii) the number of Incentive Options granted at a discount of more than 10% and proportion to Market Price Options during the financial year under review,
- (f) if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

22. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme, including any Shareholders' resolution relating to the implementation of the Scheme, or the making of offers and grants of options under the Scheme at a discount not exceeding the maximum discount, or the participation by, and options granted to, Controlling Shareholders and their Associates and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

24. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Scheme or any Option by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

Schedule A-1

LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: [Name]
[Designation]

[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Leader Environmental Technologies Share Option Scheme (the "**Share Option Scheme**"), you have been nominated to participate in the Share Option Scheme by the Committee (the "**Committee**") appointed by the Board of Directors of Leader Environmental Technologies Limited (the "**Company**") to administer the Share Option Scheme. Terms as defined in the Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the "**Option**"), to subscribe for and be allotted _____ Shares at the price of S\$_____ for each Share.
3. The option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of or encumbered by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of this letter and the Share Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,

For and on behalf of
Leader Environmental Technologies Limited

Name:
Designation:

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

Schedule B-1

LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee,
Leader Environmental Technologies Share Option Scheme

Closing Date for Acceptance of Offer: _____

Number of Shares in respect of which Options are offered: _____

Exercise Price for each Share: S\$ _____

Total Amount Payable on Acceptance of Option: S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Share Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or options to subscribe for such Shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**"). I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in block letters

Name in full : _____
Designation : _____
Address : _____
Nationality : _____
***NRIC/Passport No** : _____
Signature : _____
Date : _____

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

Note::

* Delete accordingly

Notes:

1. Options must be accepted in full or in multiples of 100 Shares.
2. This Acceptance Form must be addressed to The Committee, Leader Environmental Technologies Employees Share Option Scheme in a sealed envelope marked 'Private and Confidential'.
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

Schedule C-1

LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the "**Shares**") offered at S\$_____ for each Share (the "**Exercise Price**") under the Leader Environmental Technologies Share Option Scheme on _____ (Date of grant) : _____

Number of Shares previously allotted thereunder : _____

Outstanding balance of Shares to be allotted : _____

Number of Shares now to be subscribed : _____

To: The Committee,
Leader Environmental Technologies Share Option Scheme

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Leader Environmental Technologies Limited (the "Company") at S\$_____ for each Share.
2. I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Leader Environmental Technologies Share Option Scheme and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited ("**CDP**") for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX A
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

Schedule C-1

Please print in block letters

Name in full : _____

Designation : _____

Address : : _____

Nationality : _____

***NRIC/Passport No** : _____

***Direct Securities Account No.** : _____

OR

***Sub-Account No.** : _____

Name of Depository Agent : _____

OR

CPF Investment : : _____

Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

* Delete accordingly

Notes:

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
2. This Acceptance Form must be addressed to The Committee, Leader Environmental Technologies Employees Share Option Scheme in a sealed envelope marked 'Private and Confidential'.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

1. NAME OF THE PLAN

The Plan shall be called the "Leader Environmental Technologies Share Award Plan".

2. DEFINITIONS

2.1. In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Adoption Date"	:	The date on which the Plan is adopted by the Company in general meeting
"Associate"	:	Shall have the meaning assigned to it in the Listing Manual
"Auditors"	:	The auditors of the Company for the time being
"Award"	:	A contingent award of Shares granted under Rule 5
"Award Date"	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
"Award Letter"	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
"Board"	:	The board of directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	The Remuneration Committee of the Company, duly authorised and appointed by the Board to administer the Plan
"Company"	:	Leader Environmental Technologies Limited
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or in fact exercises Control over the Company
"Constitution"	:	The Constitution of the Company, as amended from time to time
"Group"	:	The Company and its subsidiaries

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

- "Group Employee"** : Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.
- "Group Executive Director"** : A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
- "Group Non-Executive Director"** : A director of the Company and/or any of its subsidiaries, as the case may be, other than one who performs an executive function
- "Listing Manual"** : The Listing Manual of the SGX-ST
- "Participant"** : The holder of an Award (including, where applicable, the executor or personal representative of such holder)
- "Performance Condition"** : In relation to an Award, the performance condition prescribed by the Committee to be fulfilled or satisfied by the Participant as specified on the Award Date in relation to that Award
- "Performance Period"** : The period as may be determined by the Committee at its discretion, during which the Performance Condition is to be fulfilled or satisfied
- "Plan"** : The Leader Environmental Technologies Share Award Plan, as the same may be modified or altered from time to time
- "Release"** : In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly and **"Released"** shall be construed accordingly
- "Release Schedule"** : In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
- "Released Award"** : An Award which has been released in accordance with Rule 7
- "Retention Period"** : Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

"SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Shares"	:	Ordinary shares in the capital of the Company
"Trading Day"	:	A day on which the Shares are traded on the SGX-ST
"Vesting"	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "Vest" and "Vested" shall be construed accordingly
"Vesting Date"	:	In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares have Vested pursuant to Rule 7

- 2.2. The term "**Depository Agent**" shall have the meaning ascribed to it in Section 81SF of the SFA.
- 2.3. Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.4. Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5. Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Employees with the interests of shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world-class company.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Selected Group Employees who hold such rank as may be designated by the Committee, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and Associates of Controlling Shareholders shall be eligible to participate in the Plan at the absolute discretion of the Committee provided that each such person has attained the age of twenty-one (21) years and is not an undischarged bankrupt.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

4.2. Controlling Shareholders and their Associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Plan, at the absolute discretion of the Committee, provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

have each specifically been approved by an ordinary resolution of the independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Plan of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

5. GRANT OF AWARDS

5.1. Subject to Rule 4, the Committee may grant Awards to eligible Group Employees, Non-Executive Directors, Controlling Shareholders and/or Associates of Controlling Shareholders (who are eligible to participate under Rule 4.1), and in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

5.2. The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall, subject to Rule 4.2 and Rule 8, be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.

5.3. In relation to an Award to a Participant, the Committee shall determine:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award (subject to Rule 4.2 and Rule 8);
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.4. The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award and shall notify the Participants of such change or waiver:

- (a) in the event of a take-over offer being made for the Shares or if under any applicable laws, a court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of the performance of a Participant, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived, for any other reason.

5.5. As soon as reasonably practicable after making an Award the Committee shall send to the relevant Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;
- (e) the Release Schedule;
- (f) the Vesting Date; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.6. Participants are not required to pay for the grant of Awards.

5.7. An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1. An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group, for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2. In any of the following events:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases to be in the employment of the Group, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) (where applicable) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of the Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3. Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under any applicable laws; or

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

7.1. Review of Performance Condition

- (a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an eligible person under Rule 4.1 from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be an eligible person under Rule 4.1 from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

7.2. Release of Award

Shares which are allotted (as an issue of new Shares) or transferred (as a transfer of Shares then held by the Company as treasury Shares) on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3. Ranking of Shares

All Shares allotted and issued or transferred to a Participant on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other Shares then in issue.

For the purposes of this Rule 7.3, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4. Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares excluding treasury shares and subsidiary holdings on the day preceding that date.
- 8.2. The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Plan.
- 8.3. The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Plan.
- 8.4. Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

9. ADJUSTMENT EVENTS

9.1. If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

9.2. The following events will not normally be regarded as a circumstance requiring adjustment: (a) the issue of securities as consideration for an acquisition or a private placement of securities, or (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force.

9.3. Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4. Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

10.1. The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

10.2. The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

10.3. Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

- 10.4. Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1. Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3. Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

- 12.1. Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
 - (b) any modifications or alterations which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Company's shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a) and (b), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of the Participants (as the case may be) shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

- 12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

- 14.1. The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2. The Plan may be terminated at any time at the discretion of the Committee, or by an ordinary resolution of the Company in general meeting, subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3. The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 16.2. Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c).

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants of the Plan:
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5% or more of the aggregate of the total number of Shares available under the Plan; and

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have been allotted and/or transferred pursuant to the Vesting of Awards since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review

- (c) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

APPENDIX B
RULES OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

20. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan must abstain from voting on any Shareholders' resolution relating to the Plan, including any Shareholders' resolution relating to the implementation of the Plan, or the participation by and Awards granted to, Associates of Controlling Shareholders, and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

NOTICE OF EXTRAORDINARY GENERAL MEETING

LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200611799H)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of the shareholders ("**Shareholders**") of Leader Environmental Technologies Limited ("**Company**") will be convened and held by way of electronic means (see Notes 1 to 8) at 10.00 a.m. on 23 December 2021 for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions:

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 8 December 2021 issued by the Company ("**Circular**").*

ORDINARY RESOLUTION 1 – THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE OPTION SCHEME

THAT:

- (1) a new Share Option Scheme to be known as the "Leader Environmental Technologies Share Option Scheme" ("**Leader Environmental Technologies Share Option Scheme**"), the details of and rules of which are set out in the Circular and under which Options for shares may be granted to selected Participants, be and is hereby approved and adopted with effect from Completion;
- (2) the Directors of the Company or the remuneration committee be and are hereby authorised to:
 - (a) establish and administer the Leader Environmental Technologies Share Option Scheme;
 - (b) modify or amend the Leader Environmental Technologies Share Option Scheme from time to time, provided that such modification or amendment is effected in accordance with the provisions of the Leader Environmental Technologies Share Option Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Leader Environmental Technologies Share Option Scheme; and
 - (c) offer and grant Options in accordance with the rules of the Leader Environmental Technologies Share Option Scheme and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Leader Environmental Technologies Share Option Scheme; and
- (3) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to this Ordinary Resolution 1 as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

ORDINARY RESOLUTION 2 – PROPOSED GRANT OF DISCOUNTED OPTIONS

THAT:

subject to and contingent upon Ordinary Resolution 1 being approved, approval be and is given for the offer and grant of Options in accordance with the rules of the Leader Environmental Technologies

NOTICE OF EXTRAORDINARY GENERAL MEETING

Employment Share Option Scheme with exercise prices set at a discount not exceeding 20% to the Market Price, as determined by the Remuneration Committee authorised and appointed to administer the Leader Environmental Technologies Employment Share Option Scheme, provided that such discount does not exceed the relevant limits as may be set by the SGX-ST from time to time.

ORDINARY RESOLUTION 3 – THE PROPOSED ADOPTION OF THE LEADER ENVIRONMENTAL TECHNOLOGIES SHARE AWARD PLAN

THAT:

- (1) a new Share Award Plan to be known as the "Leader Environmental Technologies Share Award Plan" ("**Leader Environmental Technologies Share Award Plan**"), the details of and rules of which are set out in the Circular and under which Awards of fully-paid shares may be granted to selected Participants, be and is hereby approved and adopted with effect from Completion;
- (2) the Directors of the Company or the remuneration committee be and are hereby authorised to:
 - (a) establish and administer the Leader Environmental Technologies Share Award Plan;
 - (b) modify or amend the Leader Environmental Technologies Share Award Plan from time to time, provided that such modification or amendment is effected in accordance with the provisions of the Leader Environmental Technologies Share Award Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Leader Environmental Technologies Share Award Plan; and
 - (c) offer and grant Awards in accordance with the rules of the Leader Environmental Technologies Share Award Plan and to issue such number of fully-paid new Shares and/or transfer such number of existing shares held in treasury, free of charge, as may be required to be delivered from time to time pursuant to the vesting of Awards under the Leader Environmental Technologies Share Award Plan; and
- (3) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to this Ordinary Resolution 3 as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

By Order of the Board

Dr Lin Yucheng
Executive Chairman

Singapore
8 December 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Important Notice from the Company on COVID-19

As the COVID-19 situation continues to evolve, the Company is closely monitoring the situation, including any precautionary measures which may be required or recommended by government agencies to minimise the risk of community spread of COVID-19. **Shareholders should note that the Company may be required (including at short notice) to make further changes to its EGM arrangements as the situation evolves, and Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNet.**

The Company apologises for any inconvenience caused and seeks the understanding and cooperation of all shareholders to minimise the risk of community spread of COVID-19. The Company, Group, officers and employees shall have no liability whatsoever to shareholders, corporate representatives or any other attendees arising out of or in connection with the Company taking precautionary measures at the Company's discretion in response to the COVID-19 situation.

Notes:

1. Alternative Arrangements

Please refer to paragraph 12 of the Circular setting out alternative arrangements relating to, *inter alia*, attendance, submission of questions in advance and/or voting by proxy at the EGM. The Circular has been uploaded together with this Notice on SGXNet and the Company's designated website on the same day.

In particular:

(a) "Live" audio-visual webcast and "live" audio-only stream

The EGM will be held by electronic means. Shareholders and investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (including CPF Investors and SRS Investors) will be able to (i) watch these proceedings through a "live" audio-visual webcast via their mobile phones, tablets or computers, or (ii) listen to these proceedings through a "live" audio-only stream.

In order to do so, Shareholders and Investors must follow the following steps:

- (1) Those who wish to watch the "live" audio-visual webcast or listen to the "live" audio-only stream must pre-register by 10.00 a.m. on 20 December 2021, by clicking on the following link and submitting the online registration form: <https://conveneagm.sg/leaderegm2021>.
- (2) They are required to complete and submit the online registration form for authentication purposes.
- (3) Upon authentication of their status as Shareholders and Investors will receive an email confirmation by 22 December 2021 and will be able to access the webcast and audio feed of the EGM proceedings using their login credentials created during preregistration.
- (4) Those who do not receive an email by 3.00 p.m. on 22 December 2021, but who have registered by the registration deadline, should contact our Share Registrar, M & C Services Private Limited, for assistance at (65) 62280530 or gpb@mncsingapore.com.

Members who are watching the live webcast will not be able to vote online.

(b) Prior submission of questions

Shareholders may submit questions or matters related to the Ordinary Resolution to approve the Proposed Placement by 10.00 a.m. on 20 December 2021 in the following manner:

- (1) via the pre-registration website at the following link: <https://conveneagm.sg/leaderegm2021>; or
- (2) by email via the following email: queries@leaderet.com

NOTICE OF EXTRAORDINARY GENERAL MEETING

Members will not be able to ask questions at the EGM "live" during the audio-visual webcast or audio-only stream.

(c) Voting by proxy only

Shareholders and Investors will not be able to attend the EGM in person or vote online at the EGM. Shareholders (whether individual or corporate) must vote by proxy only and appoint **only the Chairman of the EGM** to act as proxy and direct the vote at the EGM. A member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

All Shareholders are encouraged to complete, sign and return the enclosed Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach (a) by email to gpb@mncsingapore.com or (b) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902, not later than 10.00 a.m. on 21 December 2021 (being 48 hours before the time fixed for the EGM).

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as their proxy should approach their respective agent banks to submit their votes no later than **14 December 2021**, being seven (7) working days before the date of the EGM. CPF Investors and SRS Investors should not directly appoint the Chairman as proxy to direct the vote. The Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

If the member is a corporation, the instrument appointing the proxy must be given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

2. The Chairman of the EGM, as proxy, need not be a member of the Company.
3. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
4. The Circular, this Notice of EGM and the Proxy Form have been made available on SGXNet. A printed copy of these documents will NOT be despatched to Shareholders.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, and/or by registering to attend the "live" audio-visual webcast and/or "live" audio-only stream of the EGM as detailed in paragraph 12 of the Circular, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200611799H)

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Circular which has been uploaded together with the Notice of EGM dated **8 December 2021** on SGXNet on the same day.
2. A member will not be able to attend the EGM in person. A member will also not be able to vote online at the resolutions to be tabled for approval at the EGM. If a member (whether individual or corporate) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the EGM to vote on his/her/its behalf. A member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") who wish to vote at the EGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the EGM. CPF Investors and/or SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to appointment as to the appointment of the Chairman of the EGM as proxy for the EGM.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)

being a *member/members of LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED ("**Company**") hereby appoint the Chairman of the Extraordinary General Meeting ("**Chairman**") as *my/our proxy/ proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**Meeting**") of the Company to be held by way of electronic means on 23 December 2021 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our proxy to vote for, against and/or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the EGM and at any adjournment thereof:

No.	Resolution	No. of Votes For*	No. of Votes Against*	No. of Votes Abstaining*
1.	To approve the Proposed Adoption of the Leader Environmental Technologies Share Option Scheme (Ordinary Resolution 1)			
2.	To approve the Proposed Grant of Discounted Options (Ordinary Resolution 2)			
3.	To approve the Proposed Adoption of the Leader Environmental Technologies Share Award Plan (Ordinary Resolution 3)			

** Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to exercise all your votes for or against or abstain from voting for in respect of all your Shares the above Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish the Chairman of the EGM as your proxy to exercise some and not all of your votes for or against and/or abstain from voting for the Resolution and/or if you wish the Chairman of the EGM as your proxy to abstain from voting in respect of the Resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstaining" in the boxes provided for the Resolution. In the absence of specific directions, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.*

Dated this _____ day of _____ 2021

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

** Delete where inapplicable*

IMPORTANT: PLEASE READ THE NOTES BELOW CAREFULLY BEFORE COMPLETING THIS FORM

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the EGM as proxy shall be deemed to relate to all the Shares held by you (in both the Depository Register and the Register of Members).
2. A member will not be able to attend the EGM in person and must appoint the Chairman of the EGM as proxy to attend, speak and vote on the member's behalf at the EGM and at any adjournment thereof. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. If a member (whether individual or corporate) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the EGM to vote on his/her/its behalf. A member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid. This Proxy Form may be accessed via the SGXNET.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Please refer to paragraph 12 of the Circular for more details.

3. The Chairman of the EGM, as proxy, need not be a member of the Company.
4. CPF Investors and SRS Investors who wish to vote at the EGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the EGM. CPF Investors and SRS Investors should not directly appoint the Chairman as proxy to direct the vote.
5. Relevant Intermediaries shall also appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to attend the EGM by way of a "live" webcast and/or audiocast with such information that may be requested by the Company.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative to attend the EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore ("Companies Act").
 7. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged at the registered office of the Company at 38 Beach Road #29-11 South Beach Tower, Singapore 189767.
 8. The instrument appointing the Chairman of the EGM as proxy must be completed and arrive (a) by email to gpb@mncsingapore.com OR (b) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902, not later than 10.00 a.m. on 21 December 2021 (being 48 hours before the time fixed for the EGM).

PROXY FORM

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 8 December 2021.