



LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

利德环保技术有限公司

(Incorporated in Singapore on 15 August 2006)
(Company Registration Number: 200611799H)

**US\$15 MILLION REDEEMABLE ZERO-COUPON CONVERTIBLE BONDS:
- FURTHER INFORMATION UPDATES**

1. INTRODUCTION

The Board refers to the following announcements:

- (a) the announcement dated 11 October 2022 ("**Bonds Announcement**") in relation to the proposed issue of US\$15 million redeemable convertible zero-coupon convertible bonds to InnoVision Pomelo LP ("**Proposed Issue**");
- (b) the announcement dated 19 December 2022 ("**AIP Announcement**") in relation to the receipt of approval-in-principle from the SGX-ST ("**AIP**") and further information updates on the Proposed Issue; and
- (c) the announcement dated 7 February 2023 in relation to the receipt of clearance from the SGX-ST on the circular to be despatched to shareholders in connection with the Proposed Issue ("**Circular Clearance Announcement**").

All capitalised terms used herein, unless otherwise defined, have the meanings ascribed to them in the Bond Announcement, the AIP Announcement and the Circular Clearance Announcement.

2. FURTHER INFORMATION UPDATES

The Company would like to provide the following information updates in relation to the Proposed Issue:

(A) Waiver of requirement to appoint Ms Pan Shuhong

InnoVision Super Aqua Limited (being the Investor under the Investment Agreement pursuant to the novation agreement dated 18 December 2022) has agreed to waive, release, discharge and absolve the Company from any and all liabilities and obligations in relation to or in connection with the appointment of Ms Pan Shuhong as a non-independent and non-executive Director and Deputy Chairwoman of the Board.

For clarity and as disclosed in the Bonds Announcement, the holder of the Bonds (when issued) shall have, at all times, the right to appoint a nominee onto the Board as a non-independent and non-executive Director.

(B) Appointment of nominee Director by the Investor

The Board is of view that the appointment of the Investor's nominee Director will not result in a change in control of the Company, taking into consideration the following:

- (i) *No majority control over Board and senior management.* The Investor's right to nominate is limited to one Director and it is not entitled to appoint any additional senior management or additional Directors to form a majority of the Board.

After the First Bonds Closing, and assuming there are no changes to the Board composition, the Board will comprise five Directors, namely Dr Lin, Mr Ngoo Lin Fong, as well as the three existing independent Directors, Mr Lim Kuan Meng, Mr Mak Yen-Chen Andrew and Mr Lee Suan Hiang.

Accordingly, the Board is of the view that the aforementioned appointment of one Director vis-a-vis five other Directors will not result in the Investor having any majority control over the Board and its proceedings.

- (ii) *No controlling interest in the Company.* The Bonds do not carry voting rights at general meetings of the Company. Assuming all the Conversion Shares are allotted and issued pursuant to conversion by the Company, such Conversion Shares will represent only approximately 12.25% of the enlarged Share capital of the Company.

3. FURTHER ANNOUNCEMENTS

As disclosed in the Circular Clearance Announcement, the Circular containing, *inter alia*, details in relation to the Bonds and enclosing the notice of EGM will be despatched to the Shareholders on or about 14 February 2023. The Company will make further and other announcements at the relevant time as and when there are material developments in relation to the Proposed Issue.

4. CAUTION IN TRADING

As at the date of this announcement, completion of the Investment Agreement and Proposed Issue remain subject to fulfilment of conditions precedent, and there is no assurance nor certainty that the Proposed Issue will proceed or proceed on the present terms. Shareholders should read this announcement and any further announcements by the Company carefully. Shareholders should refrain from taking any action in respect of their Shares which may be prejudicial to their interests, and to exercise caution when dealing in their Shares. In the event of any doubt, Shareholders should consult their professional advisers.

BY ORDER OF THE BOARD OF DIRECTORS

Mr Ngoo Lin Fong
Executive Director
9 February 2023