

CIRCULAR DATED 13 FEBRUARY 2023

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

IF YOU ARE IN ANY DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER 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 shares in the capital of Leader Environmental Technologies Limited ("**Company**") you should immediately inform the purchaser or transferee or the 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 SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (1) PROPOSED ISSUE OF UP TO US\$15 MILLION BONDS CONVERTIBLE INTO CONVERSION SHARES IN THE CAPITAL OF THE COMPANY AT AN INITIAL CONVERSION PRICE OF S\$0.10 PER NEW SHARE; AND**
- (2) PROPOSED ALLOTMENT AND ISSUE OF CONVERSION SHARES IN THE CAPITAL OF THE COMPANY TO THE BONDHOLDER UPON CONVERSION OF THE BONDS**

Financial adviser in relation to the Proposed Issue



(Company Registration Number: 200105040N)
(Incorporated in Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	26 February 2023 at 10.00 a.m.
Last date and time to submit questions prior to the EGM	:	20 February 2023 at 10.00 a.m.
Date and time of EGM	:	28 February 2023 at 10.00 a.m.
Place of EGM	:	Amara Hotel, Connection 1 Level 3, 165 Tanjong Pagar Road, Singapore 088539

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DEFINITIONS

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

“Adjustment Events”	:	Has the meaning ascribed to it in Section 2.5(H) of this Circular
“Affiliate”	:	(a) With respect to the Company, any other person that directly or indirectly, Controls, is Controlled by, or under direct or indirect common Control with the Company; and (b) With respect to the Investor, means any person that is directly or indirectly Controlled by the Investor
“AI”	:	Artificial intelligence
“AIP”	:	The approval-in-principal received by the Company from the SGX-ST on 16 December 2022 in relation to the application for the listing and quotation of the Conversion Shares on the Official List of the Mainboard of the SGX-ST
“BLP Capital”	:	Has the meaning ascribed to it in Section 4.2 of this Circular
“Board” or “Board of Directors”	:	The board of Directors of the Company
“Bondholder”	:	The holder of the Bonds as entered in the Register
“Bonds”	:	The redeemable zero-coupon convertible bonds in aggregate principal amount of US\$15 million to be issued with the benefit of the Investment Agreement and the Conditions
“Bonds Closing Date”	:	First Bonds Closing Date or Second Bonds Closing Date (as the case may be)
“Business Day”	:	A day (which is not a Saturday or Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore
“Certificate”	:	Certificate evidencing the Bonds
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 13 February 2023
“Companies Act”	:	The Companies Act 1967 of Singapore
“Company”	:	Leader Environmental Technologies Limited

DEFINITIONS

“Condition(s)”	:	The terms and conditions of the Bonds as set out in the Investment Agreement
“Consideration”	:	Has the meaning ascribed to it in Section 2.5(A) of this Circular
“Constitution”	:	The constitution of the Company
“Control”	:	<p>(a) In relation to a person, where another person has direct or indirect control:</p> <ul style="list-style-type: none">(i) of the affairs of that person;(ii) over more than 50% of the total voting rights conferred by all the issued shares in the capital of that person which are ordinarily exercisable in general meeting; or(iii) of a majority of the board of directors of that person (in each case whether pursuant to relevant constitutional documents, contract or otherwise) or otherwise has the power to direct or cease the direction, directly or indirectly, of the management or policies of such person; and <p>(b) In relation to the Company:</p> <ul style="list-style-type: none">(i) beneficial ownership of, or possession of, voting rights in respect of more than 35% of the total issued Shares which are ordinarily exercisable in a general meeting; or(ii) possession of the right, or sufficient voting power, to appoint, elect and/or remove all or a majority of the Directors, and “Controlled” shall be construed accordingly. For the avoidance of doubt, a general partner is deemed to Control a limited partnership and a fund or investment holding company whose funds are advised or managed directly or indirectly by a person or by any fund management entity whose management is controlled directly or indirectly by the current management of that persons shall also be deemed to be Controlled by such person
“Conversion Period”	:	Has the meaning ascribed to it in Section 2.5(F) of this Circular
“Conversion Price”	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular

DEFINITIONS

“Conversion Right”	:	Has the meaning ascribed to it in Section 2.5(F) of this Circular
“Conversion Share Registration Date”	:	Has the meaning ascribed to it in Section 2.5(J) of this Circular
“Conversion Shares”	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
“CPF Investor”	:	An investor who holds shares under the Central Provident Fund Investment Scheme
“Directors”	:	The directors of the Company from time to time
“Dr Lin”	:	Dr Lin Yucheng, the Executive Chairman of the Company
“Early Redemption Amount”	:	Has the meaning ascribed to it in Section 2.5(I) of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened, notice of which is set out on pages N-1 to N-4 of this Circular
“Encumbrance”	:	Any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind
“EOD Redemption Amount”	:	A redemption amount equal to 100% of the principal amount of the Bonds plus a premium equivalent to an Internal Rate of Return of 10% on such principal amount
“EPS”	:	Earnings per Share
“Final Maturity Date”	:	Has the meaning ascribed to it in Section 2.5(I) of this Circular
“First Bonds Closing”	:	Has the meaning ascribed to it in Section 2.5(A) of this Circular
“First Bonds Closing Date”	:	The date falling two Business Days of the satisfaction or waiver of the conditions precedent in Sections 2.5(B)(i), (ii), (iii) and (iv) of this Circular (or such other date as may be agreed in writing between the Company and the Investor)
“Group”	:	Collectively the Company and its Subsidiaries, and “Group Company” shall mean any one of them

DEFINITIONS

“InnoVision Capital”	:	Has the meaning ascribed to it in Section 2.1(c) of this Circular
“InnoVision Capital Group”	:	Has the meaning ascribed to it in Section 2.3 of this Circular
“Investor”	:	Has the meaning ascribed to it in Section 2.1(c) of this Circular
“Investment Agreement”	:	The investment agreement dated 10 October 2022 entered into between the Company and the Investor in relation to the Proposed Issue (as amended by way of the Supplemental Agreement)
“Internal Rate of Return”	:	The annual percentage rate which when applied to discount, each expected cash flow (including without limitation any dividends and other distributions and cash from sale received in respect of such Shares) for the period from the Bonds Closing Date to the date of payment of EOD Redemption Amount would give a net present value of zero
“IVC Entrepreneur”	:	Has the meaning ascribed to it in Section 4.2 of this Circular
“Latest Practicable Date”	:	9 February 2023, being the latest practicable date prior to the despatch of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Mainboard”	:	The Mainboard of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Mr Zhao”	:	Has the meaning ascribed to it in Section 2.3 of this Circular
“Ms Pan”	:	Ms Pan Shuhong, a Substantial Shareholder
“Net Proceeds”	:	Has the meaning ascribed to it in Section 2.6 of this Circular
“Notice of EGM”	:	Notice of EGM set out on pages N-1 to N-4 of this Circular
“Novation Agreement”	:	Has the meaning ascribed to it in Section 2.1(c) of this Circular
“NTA”	:	Net tangible assets

DEFINITIONS

“PRC” or “China”	:	The People’s Republic of China (excluding the Special Administrative Regions of Hong Kong and Macau)
“Proposed Issue”	:	The proposed issuance of the Bonds by the Company
“Proxy Form”	:	The instrument appointing a proxy for the EGM as set out in this Circular
“Register”	:	The register of Bondholders maintained by the Company
“RMB”	:	PRC Renminbi
“RMB Fund”	:	Has the meaning ascribed to it in Section 4.2 of this Circular
“SCCL”	:	Stirling Coleman Capital Limited
“Second Bonds Closing”	:	Has the meaning ascribed to it in Section 2.5(A) of this Circular
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNet”	:	The system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Share Issue Mandate”	:	Has the meaning ascribed to it in Section 2.7(b) of this Circular
“Shareholder(s)”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors in the Depository Register maintained by CDP and to whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SRS Investor”	:	An investor who holds shares under the Supplementary Retirement Scheme
“Subsidiaries”	:	Means the subsidiaries of the Company
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the issued Shares

DEFINITIONS

“ Supplemental Agreement ”	:	The supplemental agreement dated 18 December 2022 entered into between the Company and the Investor
“ S\$ ” and “ cents ”	:	Singapore dollars and cents respectively
“ Trading Day ”	:	A day when the SGX-ST is open for dealing business, provided that if no closing price is reported in respect of the relevant Shares on the SGX-ST for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days
“ US\$ ”	:	The lawful currency of the United States of America
“ USD Fund ”	:	Has the meaning ascribed to it in Section 2.3 of this Circular
“ VWAP ”	:	Volume-weighted average price
“ % ”	:	Percentage or per centum

In this Circular, unless otherwise stated, the exchange rate of US\$1:S\$1.4284 shall apply in respect of any conversion between S\$ and US\$ for the duration of the Bonds.

The term “**subsidiary**”, “**subsidiary holdings**”, and “**treasury shares**” shall have the meanings ascribed to them respectively in the Companies Act.

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

References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

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

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 or term defined under the Companies Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

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

DEFINITIONS

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

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company for the Proposed Issue.

LETTER TO SHAREHOLDERS

LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

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

Board of Directors

Dr. Lin Yucheng	(Executive Chairman)
Mr. Ngoo Lin Fong	(Executive Director/Finance Director)
Mr. Lim Kuang Meng	(Lead Independent Non-Executive Director)
Mr. Mak Yen-Chen Andrew	(Independent Non-Executive Director)
Mr. Lee Suan Hiang	(Independent Non-Executive Director)

Registered Office

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

13 February 2023

To: Shareholders of Leader Environmental Technologies Limited

Dear Sir/Madam

(1) PROPOSED ISSUE OF UP TO US\$15 MILLION BONDS CONVERTIBLE INTO CONVERSION SHARES IN THE CAPITAL OF THE COMPANY AT AN INITIAL CONVERSION PRICE OF S\$0.10 PER NEW SHARE; AND

(2) PROPOSED ALLOTMENT AND ISSUE OF CONVERSION SHARES IN THE CAPITAL OF THE COMPANY TO THE BONDHOLDER UPON CONVERSION OF THE BONDS

1. INTRODUCTION

1.1 The Board refers to the Company's announcements dated 11 October 2022, 19 December 2022 and 7 February 2023.

1.2 The purpose of this Circular is to provide Shareholders with the information relating to, and to seek Shareholders' approval for the following proposals:

- (a) the Proposed Issue (Ordinary Resolution 1); and
- (b) the proposed allotment and issue of Conversion Shares to the Bondholder upon conversion of the Bonds (Ordinary Resolution 2).

Shareholders should note that Ordinary Resolutions 1 and 2 are inter-conditional upon each other. Accordingly, in the event that any of these Ordinary Resolutions is not approved, the other Ordinary Resolution would not be passed.

Shareholders' approval will be sought at the EGM to be held at Amara Hotel, Connection 1 Level 3, 165 Tanjong Pagar Road, Singapore 088539 on 28 February 2023 at 10.00 a.m., the notice of which is attached to this Circular.

2. PROPOSED ISSUE

2.1 Background

- (a) On 11 October 2022, the Company announced that it had entered into the Investment Agreement with InnoVision Pomelo LP, pursuant to which InnoVision Pomelo LP agreed that it will subscribe for, and the Company will issue, up to US\$15 million in aggregate principal amount of the Bonds convertible into Shares ("**Conversion Share(s)**") at an initial conversion price of S\$0.10 per new Share ("**Conversion Price**").

LETTER TO SHAREHOLDERS

Please refer to Section 2.3 of this Circular in relation to how the Company had identified the Investor as a potential investor for the Proposed Issue.

- (b) In connection with the Proposed Issue, the Company had submitted an application to the SGX-ST for the listing and quotation of the Conversion Shares. On 16 December 2022, the SGX-ST had granted its AIP for the listing and quotation of up to 214,260,000 Conversion Shares (assuming no adjustment is required pursuant to the Adjustment Events), subject to compliance with the SGX-ST's listing requirements and the following conditions:
- (i) Shareholders' approval for the issuance and allotment of the Bonds and Conversion Shares where Dr Lin and Ms Pan and their associates are to abstain from voting;
 - (ii) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (iii) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
 - (iv) a written confirmation from the Company that it will not issue the Bonds to persons prohibited under Rule 812(1) of the Listing Manual;
 - (v) a written confirmation from the Company that the terms of the Bonds comply with Rule 829(1) of the Listing Manual;
 - (vi) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual;
 - (vii) announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the Bonds may be redeemed; and
 - (viii) independent verification on the use and disbursement of proceeds and funds from the Proposed Issue.

It is further stated under the AIP that the SGX-ST is of the view that the appointment of Ms Pan as a non-independent and non-executive Director and Deputy Chairwoman of the Board will be considered a nominee director of the Investor.

Shareholders should note that the AIP from the SGX-ST is not to be taken as an indication of the merits of the Conversion Shares, the Company and/or its Subsidiaries.

- (c) On 18 December 2022, the Company, InnoVision Pomelo LP and InnoVision Super Aqua Limited ("**Investor**") entered into a novation agreement for the transfer of all rights and obligations of InnoVision Pomelo LP under the Investment Agreement to the Investor ("**Novation Agreement**").

LETTER TO SHAREHOLDERS

The novation was undertaken at the request of China InnoVision Capital GP Limited (“**InnoVision Capital**”). As this is a new investment in a new investee company, for internal administration purposes and reasons, it was the intention of InnoVision Capital to invest in the investee company through a newly incorporated special purpose vehicle. However, an incorporation of a British Virgin Islands company, together with its attendant matters such as setting up of bank accounts, takes time. In the interests of time, and to avoid undue delay to the transaction, InnoVision Capital decided to utilise an existing entity to enter into the transaction. For the avoidance of doubt, the novation does not materially change the substance and intent of the Investment Agreement, as both the Investor and InnoVision Pomelo LP are managed by the same general partner, that being InnoVision Capital. For completeness, the limited partners of the Investor are not the same as those of InnoVision Pomelo LP¹. Please refer to Sections 2.3 and 4.2 of this Circular for further details on the InnoVision Capital Group as well as Dr Lin and Ms Pan’s passive investment in one of the InnoVision Capital funds.

- (d) On 18 December 2022, the Company and the Investor entered into the Supplemental Agreement to amend certain terms of the Investment Agreement to reflect, *inter alia*, the conditions under the AIP requiring the Company to obtain Shareholders’ approval for the Proposed Issue and the extension of the long-stop date for the First Bonds Closing from 3 months to 8 months to accommodate for the time needed for the Company to convene the EGM.
- (e) With reference to the SGX-ST’s view that Ms Pan will be considered a nominee director of the Investor, the Investor has, on 9 February 2023, waived its rights to, and released the Company from its obligation, to appoint Ms Pan as a non-independent and non-executive Director and Deputy Chairwoman of the Board under the Investment Agreement.

2.2 Financial Adviser

SCCL has been appointed by the Company as its financial adviser in relation to the Proposed Issue.

2.3 Information on the Investor

Shareholders should note that information relating to the Investor in this Circular was provided by the Investor. 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.

¹ The limited partners are the investors in the funds, which are managed by the general partner. The limited partners are limited in liability to the extent of their investment and have no management authority.

LETTER TO SHAREHOLDERS

Background information on the Investor and InnoVision Capital

The Investor is a special purpose vehicle recently incorporated on 19 October 2022 in the British Virgin Islands for the sole purpose of holding the Bonds. Its shareholders are InnoVision USD Fund I LP (“**USD Fund**”) and InnoVision Capital Dingsheng LP, entities which are controlled and managed by InnoVision Capital as a general partner. Please refer to Appendix 1 to this Circular setting out the corporate structure in relation to the Investor.

Founded in 2016, InnoVision Capital is broadly recognised as an institutionalised Asia/PRC Private Equity 3.0 manager with strong and proven track record. As one of the successful early movers in ESG investing in pan-Asia, InnoVision Capital has been focusing on investing in the green energy/climate impact and ESG/sustainability sectors extensively.

InnoVision Capital has since accumulated deep domain knowledge, outstanding deal sourcing network, strong industry resources and long-term proven track record investing in the green energy/climate impact and ESG/sustainability sectors, and is well positioned to capitalise on the global push for green economy.

Mr Lane Fu Zhao (“**Mr Zhao**”), the founder and CEO of InnoVision Capital, is a 19-year veteran in the private equity industry, with the last ten years prior to InnoVision Capital spent at KKR as one of the founding members of the Asia/PRC business from 2006 to 2016, and was responsible for KKR’s investments in green energy/climate impact, ESG and consumer sectors in Asia/PRC. Mr Zhao earned a Bachelor in Mathematics and Physics from Tsinghua University with First Class Honours. Prior to founding InnoVision Capital, Mr. Zhao has led and played a significant role in numerous successful deals, such as United Envirotech Ltd, Far East Horizon Limited, China Modern Dairy Holdings Ltd, Ping An Insurance Company of China, Ltd., China Mengniu Dairy Company Limited, China International Capital Corporation, and Belle International Holdings Limited.

In 2011, during his time at KKR, Mr Zhao led KKR’s first ESG investment in Asia to invest into SGX-ST Mainboard-listed United Envirotech Ltd, which Dr Lin, the Company’s current Executive Chairman, had founded. United Envirotech Ltd was subsequently acquired by CITIC Environment (International) Company and consortium in 2015 at an implied market capitalisation of approximately S\$1.9 billion and was renamed CITIC Envirotech Ltd, and was eventually privatised by the CITIC Group in 2020.

Other team members of Mr Zhao at InnoVision Capital include co-founders and managing directors Messrs Bo Zhou, Yongrui Liu and Ye Wang, each of whom are proficient and experienced in the investment industry, with stints in Barclays Bank, Deutsche Bank, Morgan Stanley, KKR, M/C Partners, Forebright Investments and China Everbright Limited.

With strong industry knowledge, top notch deal sourcing network, strong value creation capability and best-in-class internal process, as well as deep insights in regulation trend and PRC A-share market as well as strong risk management capability and disciplined exit strategy, InnoVision Capital’s total asset under management approximates RMB16 billion, including a co-general partner fund with Guizhou Railway Investment Group (which is a PRC state-owned enterprise engaged in railroad freight and transportation, railway operation, branch railway planning and real estate development).

LETTER TO SHAREHOLDERS

It has to date invested in, amongst others:

- (a) *Beike (NYSE: BEKE)*: One of the largest online/offline integrated real estate transaction platforms in China, invested in 2016 and exited majority of shares in 2021;
- (b) *JD Logistics (SEHK: 02618)*: Leading supply chain and logistics services provider for e-commerce industry, invested in 2018 and fully exited in 2021;
- (c) *China Securities Co., Ltd. (SEHK: 06066, SHSE: 601066)*: China Securities Co., Ltd. (CSC) is a nationwide comprehensive securities company approved by China Securities Regulatory Commission (CSRC);
- (d) *WuXi AppTec (SHSE: 603259; SEHK: 02359)*: China's leading R&D and manufacturing service provider that enables global pharmaceutical and healthcare industry to advance discoveries and deliver ground-breaking treatments to patients;
- (e) *Lvkon*: China's No.1 power transmission system provider in commercial electric vehicle space, invested in 2018 and followed-on in 2021 and 2022;
- (f) *Eswin*: Fast-growing and leading semiconductor fabless provider in consumer electronics/EV industry, invested in 2021;
- (g) *Vtown*: China's No.1 affordable housing management company/community upgrade and service management company, invested in 2021;
- (h) *Channel Soft*: Leading CCOD and CRM SaaS provider to the financial services industry, invested in 2016 and followed-on in 2019;
- (i) *Neurophth*: China's No.1 in-vivo gene therapy company for ophthalmic diseases, invested in 2021;
- (j) *CATUG*: A leading comprehensive platform-based CGT & mRNA CDMOs in China providing GMP-level plasmid and mRNA production and development services, invested in 2022;
- (k) *iCamuno*: Leading iPSC new generic cell therapy drugs producer, invested in 2022; and
- (l) *Butel*: Leading cloud video SaaS provider, invested in 2020.

Since inception, InnoVision Capital has had a number of successful IPOs and exits and generated consistently top quartile returns for all the funds currently under management.

Investment decisions by InnoVision Capital as general partner are determined and assessed solely by its investment committee, comprising Mr Zhao, Mr Bo Zhou, Mr Yongrui Liu and Mr Ye Wang, in its absolute discretion. Under its terms of reference, any investment decision would require at least two-thirds approval of the committee members, and is subject to a veto right held by Mr Zhao. Investors in InnoVision Capital funds, as limited partners, do not have any say nor influence whatsoever over the investment decision of the general partner.

LETTER TO SHAREHOLDERS

During KKR's investment in United Envirotech Ltd, Mr Zhao sat on its board of directors for five years, and worked closely with the management team (including Dr Lin, Mr Li Li and Ms Pan) to grow it successfully into a global leading player in water and wastewater treatment industry using membrane technology. Mr Zhao and InnoVision Capital are of the view, and are confident, that the Company's management team has world-class technology innovation and execution ability, and is highly qualified and experienced with proven track record in Asia's water and wastewater treatment industry.

The Directors in turn believe that InnoVision Capital's strong track record is a telling endorsement of the Group's strategy, its team and future growth potential. In addition, it will strengthen the Company's financing capabilities in the future.

No fees or commissions whatsoever are payable by the Investor, InnoVision Capital or any of their affiliates (collectively, "**InnoVision Capital Group**") to Dr Lin or any other person(s) arising from the Proposed Issue.

As at the Latest Practicable Date, the InnoVision Capital Group does not have any shareholding interests in the Company. The allotment and issue of the Conversion Shares will not result in a transfer of controlling interest in the Company.

Save as disclosed in this Circular, none of the InnoVision Capital Group nor its directors or substantial shareholders are related in any way to, or have any connection (including business relationships with), with any of the Directors, Substantial Shareholders or their respective associates.

Details on how the Investor was eventually identified

Having considered the Group's internal funding needs, the Company's management identified and discussed with several potential investors. The Company finally decided upon the Investor after having considered the commercial terms offered for the Proposed Issue as well as the Investor's credentials and track record.

The prior business relationship between Dr Lin and Mr Zhao, the founding member of the Investor, also helped facilitate the Proposed Issue, as Mr Zhao was previously part of the KKR team when KKR invested into SGX-ST Mainboard-listed United Envirotech Ltd in 2011, which Dr Lin had founded. KKR subsequently exited successfully with excellent return on investment, when United Envirotech Ltd was acquired by CITIC Environment (International) Company and consortium in 2015 at an implied market capitalisation of approximately S\$1.9 billion, and eventually privatised by the CITIC Group in 2020.

2.4 Rationale for the Proposed Issue

(a) Increase Shareholders' Value with Business Expansion and Growth

The Group is a technology-driven company specialising in sludge treatment, AI water management, and the production of high performance membranes.

LETTER TO SHAREHOLDERS

The Group has notably secured several high-profile projects or partnerships in recent years, including (A) a public-private-partnership project with a total amount of RMB114.75 million (approximately S\$24.5 million) in Bazhou City, Hebei Province, China for the design, construction and operation of a 120 tons/day sludge treatment plant and the recycling of the treated sludge into bricks for a concessionary period of 30 years, and (B) the acquisition of a 70% stake in the capital of Zhejiang Bofeng Environmental Technology Co., Ltd (浙江铂沅环保科技有限公司), which will enable the Group to utilize its own proprietary technology patents to provide oil sludge treatments to key customers, including the China National Offshore Oil Corporation. For the avoidance of doubt, the Net Proceeds have been earmarked for new projects, and will not be utilised for the aforementioned project in Bazhou City, Hebei province.

The Company intends to use the majority of the Net Proceeds raised to secure more sludge treatment projects and AI water management projects. The sludge treatment projects are expected to generate one-off engineering, procurement and construction income during the construction of the projects, and upon completion, generate recurring income for the Group over the lifespan of the projects, which is generally between 25 and 30 years. The AI water management projects are expected to generate recurring income for the Group during the contract period, which is generally between five and ten years. Assuming these projects are successful, they will be EPS accretive and value accretive to the Group.

To elaborate, projects to be undertaken by the Group (when secured) will typically involve capital commitments/expenditure for, *inter alia*, the following purposes:

In respect of sludge treatment projects:

- design, engineering and construction of the sludge treatment facilities;
- procurement of equipment for the sludge treatment project;
- installation and commissioning of the sludge treatment facilities;

In respect of AI water management projects:

- maintenance of AI water management team, including AI scientists, technical engineers, operation and maintenance team; and
- design, engineering and installation of specialised equipment and fittings (including AI water management systems) at the project sites.

These capital expenditures are to be borne by the Company. The cost savings generated by the customers after the implementation of the AI water management system will then be shared between the Company and its customers in accordance with the contractual agreements.

The Company also aims to secure new projects in the next 3 to 6 months, if practicable, but this is not entirely within the control of the Group, as it is dependent on, amongst others, developments of the ongoing COVID-19 situation in the PRC, results of due diligence on the projects as well as mutual terms being agreed with counterparties etc. Notwithstanding, the Group intends to be proactive in identifying viable projects.

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In this regard, the Company has, on 31 December 2022, secured an operation and maintenance contract to treat up to 90,000 tons/year of sludge for the city of Suining, Sichuan Province, PRC. As at the Latest Practicable Date, the Company is in preliminary discussions for several other potential projects but there has not been any definitive documentation entered into and there is no assurance that these discussions will materialise in any transaction.

(b) Capital Raised at a Premium to Prevailing Market Price

If and when the Bonds are converted into Conversion Shares, the Conversion Price of S\$0.10 represents an attractive premium of:

- (i) 73.9% over S\$0.0575, being the VWAP for trades in Shares on 7 October 2022, which is the full market day prior to the date on which the Investment Agreement was signed;
- (ii) 88.7% over S\$0.0530, being the VWAP for trades in Shares for one month period from 8 September 2022 to 7 October 2022;
- (iii) 78.6% over S\$0.0560, being the VWAP for trades in Shares for three months' period from 8 July 2022 to 7 October 2022;
- (iv) 53.6% over S\$0.0651, being the VWAP for trades in Shares for six months' period from 8 April 2022 to 7 October 2022; and
- (v) 44.1% over S\$0.0694, being the VWAP for trades in Shares for 12 months' period from 8 October 2021 to 7 October 2022.

(c) InnoVision Capital's Expertise, Network, Support and Value-Add to Group's Continued Development and Success

InnoVision Capital and its team are experienced, have proven track record, and possess deep knowledge in green economy space in Asia. They will add value to the Group in terms of operational management expertise and strategic network, as well as in corporate governance and best-in-class internal processes, to support the Group's continued development and success.

2.5 Principal terms of the Bonds

The principal terms and conditions of the Bonds are summarised as follows:

(A)	<i>Principal Amount</i>	Aggregate principal amount of up to US\$15 million (" Consideration "), to be allotted and issued in two tranches of US\$6 million in the first tranche (" First Bonds Closing ") and US\$9 million in the second tranche (" Second Bonds Closing ").
(B)	<i>Conditions Precedent</i>	(i) The approval-in-principal from the SGX-ST for the Shares to be listed and quoted on the Official List of the SGX-ST being obtained;

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		<p>(ii) Each of Dr Lin (Executive Chairman), Mr Ngoo Lin Fong (Executive Director/Finance Director), Mr Li Li (Chief Executive Officer), Dr Yan Huaiguo (Chief Technical Officer) and Dr Guo Chenghong (Deputy Chief Technical Officer) executing a moratorium undertaking (in the case of Dr Lin) not to sell or transfer his Shares and (in the case of the others) not to sell or transfer more than 25% of each of their Shares for so long as the Bonds exist;</p> <p>(iii) The transactions contemplated in the Investment Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Investment Agreement which is applicable to either party;</p> <p>(iv) The warranties given by the Company to the Investor remaining true and accurate in all material respects on the closing date;</p> <p>(v) The approval of the PRC State Administration of Foreign Exchange to the remittance of funds by the Investor for satisfaction of the balance Consideration under the Second Bonds Closing; and</p> <p>(vi) Shareholders' approval having been obtained for the issuance of the Bonds and the allotment and issuance of the Conversion Shares, where Dr Lin and Ms Pan and their associates are to abstain from voting on the resolution.</p> <p>Conditions (i) and (ii) are applicable only to the First Bonds Closing; conditions (iii), (iv) and (vi) are applicable to the First Bonds Closing and the Second Bonds Closing; and condition (v) is applicable only to the Second Bonds Closing.</p> <p>As amended by the Supplemental Agreement, the conditions precedent to the First Bonds Closing are to be satisfied or waived by the party having its benefit (as the case may be) by the date falling 8 months from the date of the Investment Agreement (or such other date as the parties may agree in writing), failing which the Investment Agreement will lapse and cease to have any effect (save for standard surviving provisions such as confidentiality).</p>
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		Subject to the First Bonds Closing taking place, the conditions precedent to the Second Bonds Closing are to be satisfied or waived by the party having its benefit (as the case may be) on or before the date falling 3 months from the date of the First Bonds Closing, failing which the obligations of the parties in relation to the Second Bonds Closing will cease.
(C)	<i>Coupon</i>	The Bonds are zero-coupon and will <u>not</u> bear any interest whatsoever.
(D)	<i>Status of the Bonds</i>	The payment obligations of the Company under the Bonds will at all times rank at least equally with all of the Company's other present and future unsecured and unsubordinated obligations, other than exceptions provided by mandatory provisions of applicable law.
(E)	<i>Form, Denomination, Title and Transfer</i>	<p>The Bonds are issued in registered form in the denomination of US\$500,000 or integral multiples thereof.</p> <p>Title to the Bonds will be evidenced by registration in the Register which the Company will keep.</p> <p>The Bondholder will <u>not</u> transfer the Bonds without the prior written consent of the Company.</p>
(F)	<i>Conversion Right and Conversion Period</i>	The Bondholder has the right, at its option, to convert all its Bonds at any time up until the date falling five Business Days before the Final Maturity Date (" Conversion Period ") into Shares (" Conversion Right ").
(G)	<i>Conversion Price</i>	<p>The price at which each Conversion Share will be issued upon exercise of a Conversion Right will initially be S\$0.10 per Conversion Share, subject to the Adjustment Events.</p> <p>Please refer to paragraph (J) below on the maximum number of Shares to be issued pursuant to such conversion.</p>
(H)	<i>Adjustment Events</i>	The Conversion Price and number of Conversion Shares to be issued are subject to certain standard anti-dilution adjustments under certain circumstances provided for in the Investment Agreement as reproduced in Appendix 3 to this Circular. (" Adjustment Events ").

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(I)	<i>Maturity and Redemption</i>	<p>Unless previously redeemed or converted, the Company will redeem the Bonds at 100% of its principal amount (less any amount received by the Bondholder in the event of any distribution of dividends by the Company, further details of which are set out in paragraph (K) below) plus a premium that would give a yield to maturity of 8% per annum compounded annually, on the date falling three years after the date of issue of the Bonds (“Final Maturity Date”). The Bonds may not be redeemed by the Company, in whole or in part, prior to that date other than in accordance with the Investment Agreement.</p> <p>On or prior to the Final Maturity Date, the Company may at its discretion, subject to the provision of a written notification to the Bondholder(s), extend the Final Maturity Date for a period of up to two years.</p> <p>The occurrence of certain events would entitle the Bondholder to require the Company to redeem all or some only of the outstanding Bonds at a redemption amount (“Early Redemption Amount”) equal to 100% of the principal amount (less any dividends received) plus a premium that would give a yield to redemption of 8% per annum compounded annually. Please refer to Appendix 2 to this Circular for further information on the Conditions and events of default which may affect the redemption of the Bonds.</p> <p>Please also refer to Appendix 4 to this Circular for an extract of the illustrative examples of the redemption applications under the terms of the Bonds announced previously on 19 December 2022.</p>
(J)	<i>Conversion Shares and Status</i>	<p>The number of Conversion Shares to be issued on conversion of the Bonds will be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect on the relevant date.</p> <p>The maximum number of Conversion Shares to be issued pursuant to a Conversion Right will not exceed 214,260,000 (assuming that the Second Bonds Closing takes place and based on the aggregate principal amount for the Proposed Issue of US\$15 million divided by the initial Conversion Price of S\$0.10)², except pursuant to an adjustment in the Conversion Price as a result of an Adjustment Event for which approval for the issue of the additional Conversion Shares from Shareholders and the SGX-ST are duly obtained by the Company.</p>

² Computed based on an agreed fixed exchange rate of US\$1 to S\$1.4284 in the Investment Agreement, being the closing exchange rate on the last business day prior to the signing of the Investment Agreement as quoted by Bloomberg L.P..

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		<p>The maximum number of 214,260,000 Conversion Shares when allotted and issued, will represent approximately 13.96% of the existing Share capital of the Company, comprising 1,534,878,360 Shares (excluding treasury shares and subsidiary holdings), and approximately 12.25% of the enlarged Share capital of the Company, comprising 1,749,138,360 Shares (excluding treasury shares and subsidiary holdings) after the conversion of all the Bonds.</p> <p>Conversion Shares allotted and issued on conversion will be fully paid and, with effect from the date a holder of the Conversion Shares is registered as such ("Conversion Share Registration Date"), rank for any dividends, rights, allotment or other distribution, the record date for which is on or after the relevant Conversion Share Registration Date and (subject as aforesaid) will rank <i>pari passu</i> in all respects with the then existing Shares of the Company on the relevant Conversion Share Registration Date. In this regard, "record date" means in relation to any dividends, rights, allotments or other distributions, the date on which Shareholders must be registered in order to participate in such dividends, rights, allotment, or other distributions.</p>
(K)	<i>Payment in the Event of Distribution of Dividends</i>	In the event of any distribution of dividends by the Company, the Bondholder will be entitled to receive from the Company an amount equivalent to the dividends which would have been received by the Bondholder as if the Bonds had been fully converted into Shares.
(L)	<i>Appointment of Nominee Director³</i>	<p>The Bondholder will, at all times, have the right to appoint a nominee onto the Board as a non-independent and non-executive Director.</p> <p>Upon receiving a written request from the Bondholder and subject to the recommendation of the nominating committee of the Company, the approval of the Board, and compliance with applicable requirements under the Constitution and the Listing Manual, the Company will procure the appointment of one such Director nominated by the Bondholder onto the Board.</p>

³ For completeness, it was previously announced on 11 October 2022 that Ms Pan would be appointed as a non-independent and non-executive Director and Deputy Chairwoman of the Board within 6 months from the First Bonds Closing, and that Ms Pan was not a nominee director of the Investor. The SGX-ST had in its AIP indicated that it was of the view that Ms Pan's appointment as a non-independent and non-executive Director and Deputy Chairwoman of the Board would be considered a nominee director of the Investor. As stated above in Section 2.1(e), on 9 February 2023, the Investor has agreed to waive its rights in relation to, and release the Company from the obligation to, the appointment of Ms Pan to the Board under the Investment Agreement.

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(M)	<i>Events of Default and Acceleration</i>	<p>The occurrence of certain events under the Investment Agreement would entitle the Bondholder to notify the Company that all and not part of the Bonds are immediately due and payable at the EOD Redemption Amount.</p> <p>Please refer to Appendix 2 to this Circular for further information on the Conditions and events of default which may affect the redemption of the Bonds.</p>
(N)	<i>Governing Law</i>	The laws of Singapore.

2.6 Use of Proceeds

The additional capital raised from the Proposed Issue will position the Group favourably to build a sizable portfolio of sludge treatment projects and AI water management projects by taking on more such projects with external financing from PRC financial institutions, which typically provide funding on a 40:60 equity-debt ratio basis.

In determining the principal amount for the Proposed Issue (being up to US\$15 million in Bonds), the Company had taken into account the Group's current financial position and the funds needed for the project pipeline (as further elaborated in Section 2.4(a) above), and negotiations on an arm's length basis between the Company and the Investor, which is a sophisticated institutionalised Asia/PRC Private Equity 3.0 manager.

Based on the aggregate principal amount of US\$15 million (amounting to approximately S\$21.43 million) in gross proceeds from the issue of the Bonds, the net proceeds (after deducting estimated fees and expenses) is approximately US\$14.6 million (approximately S\$20.85 million) ("**Net Proceeds**"), which the Company intends to deploy for the Group's business expansion plan as well as working capital needs in the proportions set out below:

Use	Percentage Allocation (%)	Amount
Business expansion plan, including securing more sludge and AI water management projects as well as developing proprietary technology	95.0	US\$13.87 million (approximately S\$19.81 million)
Working capital and general corporate purposes of the Group (including payments of professional fees, compliance costs, payroll and other related expenses, and office expenses)	5.0	US\$0.73 million (approximately S\$1.04 million)

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Pending deployment for the abovementioned purposes, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group.

The Company will make periodic announcements on the use of the Net Proceeds as and when such funds are materially disbursed and provide a breakdown with specific details on the use of the Net Proceeds in its interim and full-year financial statements and the Company's annual reports. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on the use of proceeds and in the Company's annual report.

2.7 Shareholders' Approval / Authority to issue the Conversion Shares

(a) Shareholders' Approval

The Proposed Issue and the proposed allotment and issue of the Conversion Shares upon conversion of the Bonds are subject to specific Shareholders' approval pursuant to the AIP.

As mentioned in Section 2.5(L) above, the Bondholder will, at all times, have the right to appoint a nominee onto the Board as a non-independent and non-executive Director. In this regard, the Board is of the view that the appointment of such 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 and Mr Ngoo Lin Fong as well as the three existing independent Non-Executive 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 additional Director vis-a-vis five other existing 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 a conversion of the Bonds by the Company, such Conversion Shares will represent only approximately 12.25% of the enlarged Share capital of the Company.

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(b) Authority to issue Conversion Shares

It was previously announced that the Conversion Shares will be issued pursuant to the general mandate (“**Share Issue Mandate**”) approved by Shareholders on 28 April 2022, which authorises the Directors to allot and issue Shares and/or convertible securities of not more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the Share Issue Mandate, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the Share Issue Mandate.

As specific Shareholders’ approval for the Proposed Issue as well as the proposed allotment and issue of the Conversion Shares is being sought pursuant to Rule 805 of the Listing Manual, the Company will not be relying on the Share Issue Mandate. In the event the maximum number of Conversion Shares to be issued pursuant to a Conversion Right exceeds 214,260,000 (for example, due to the occurrence of an Adjustment Event), the Company will seek the approval of the Shareholders and the SGX-ST for the issue of such additional Conversion Shares.

2.8 No placement agent, prospectus or offer information statement

No placement agent has been appointed in connection with the Proposed Issue. The Proposed Issue will be undertaken by way of a private placement pursuant to the exemptions under Section 275 of the SFA relating to offers of securities or securities-based derivatives contracts to an institutional investor or a relevant person. As such, no prospectus or offer information statement will be issued by the Company and/or lodged with the SGX-ST in connection therewith.

2.9 Statement by the Board of Directors

The Board is of the opinion that, after taking into consideration the Group’s present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. As mentioned in Section 2.6 above, the Proposed Issue is being undertaken to advance the Group’s business expansion plans as well as further strengthen its working capital position.

3. FINANCIAL EFFECTS OF THE PROPOSED ISSUE

The financial effects of the Proposed Issue and the subsequent allotment and issuance of the Conversion Shares on the share capital of the Company as well as the NTA per Share and the EPS of the Group are set out below.

The financial effects have been prepared based on the audited consolidated financial statements of the Group for its most recently completed financial year ended 31 December 2021, are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the Proposed Issue and the allotment and issuance of the Conversion Shares.

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3.1 Share Capital

	Before issue of Conversion Shares	Maximum Number of Conversion Shares to be Issued ⁽²⁾	After issue of Conversion Shares
<i>Number of Shares</i> ⁽¹⁾	1,534,878,360	214,260,000	1,749,138,360

Notes:

- (1) The Company does not have any treasury shares or subsidiary holdings.
- (2) Based on the maximum of 214,260,000 Conversion Shares to be issued pursuant to the conversion of all of the Bonds, assuming there are no Adjustment Events.

As at the Latest Practicable Date, the existing share capital of the Company is approximately RMB375,049,000 divided into 1,534,878,360 Shares.

3.2 NTA

	Before issue of Conversion Shares	Maximum Number of Conversion Shares to be Issued ⁽³⁾	After issue of Conversion Shares ⁽⁴⁾
<i>NTA (RMB'000)</i> ⁽¹⁾	129,667	103,846	233,513
<i>Number of Shares</i> ⁽²⁾	1,534,878,360	214,260,000	1,749,138,360
<i>NTA per Share (RMB cents)</i>	8.45	48.47	13.35

Notes:

- (1) NTA comprises total net assets, net of intangible assets and non-controlling interests.
- (2) The Company does not have any treasury shares or subsidiary holdings.
- (3) Based on the maximum of 214,260,000 Conversion Shares to be issued pursuant to the conversion of all of the Bonds, assuming there are no Adjustment Events. RMB amounts herein have been translated into US\$ based on the closing US\$:RMB exchange rate of US\$1:RMB7.1158 on 7 October 2022, being the last business day prior to the signing of the Investment Agreement as quoted by Bloomberg L.P..
- (4) The financial effect on the NTA per Share is computed based on the assumption that the issue of the Conversion Shares was completed on 31 December 2021.

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3.3 EPS

	Before issue of Conversion Shares	Maximum Number of Conversion Shares issuable under the terms of the Bonds ⁽³⁾	After issue of Conversion Shares ⁽⁴⁾
<i>Earnings (RMB'000)</i>	5,840	–	5,840
<i>Weighted average number of Shares⁽¹⁾</i>	1,421,529,064	214,260,000	1,635,789,064
<i>Earnings per Share (RMB cents)⁽²⁾</i>	0.41	–	0.36

Notes:

- (1) The Company does not have any treasury shares or subsidiary holdings.
- (2) The EPS has been derived based on the profit for the year attributable to the owners of the Company divided by the weighted average number of Shares in issue.
- (3) Based on the maximum of 214,260,000 Conversion Shares to be issued pursuant to the conversion of all of the Bonds and assuming that there are no Adjustment Events. RMB amounts herein have been translated into US\$ based on the closing US\$1:RMB7.1158 on 7 October 2022, being the last business day prior to the signing of the Investment Agreement as quoted by Bloomberg L.P..
- (4) The financial effect on the EPS is computed based on the assumption that the issue of the Conversion Shares was completed on 1 January 2021.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors' and Substantial Shareholders' shareholdings in the Company

The shareholding interests of the Directors and Substantial Shareholders as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act and the SFA, respectively, are as follows:

	As at the Latest Practicable Date				Immediately upon issue of 214,260,000 Conversion Shares pursuant to conversion of all the Bonds			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%(¹)	Number of Shares	%(¹)	Number of Shares	%(²)	Number of Shares	%(²)
Directors								
Dr Lin	414,779,500	27.02	–	–	414,779,500	23.71	–	–
Ngoo Lin Fong	18,717,000	1.22	–	–	18,717,000	1.07	–	–
Lim Kuan Meng	–	–	–	–	–	–	–	–
Mak Yen-Chen Andrew	–	–	–	–	–	–	–	–
Lee Suan Hiang ⁽³⁾	5,000,000	0.33	3,000,000	0.20	5,000,000	0.29	3,000,000	0.17
Substantial Shareholders (other than Directors)								
Ms Pan ⁽⁴⁾	165,000,000	10.75	3,199,000	0.21	165,000,000	9.43	3,199,000	0.18
InnoVision Super Aqua Limited	–	–	–	–	214,260,000	12.25	–	–

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Notes:

- (1) Based on the issued share capital of the Company, comprising 1,534,878,360 Shares (excluding treasury shares and there being no subsidiary holdings) as at the Latest Practicable Date.
- (2) Based on the enlarged Share capital of the Company, comprising 1,749,378,360 Shares (excluding treasury shares and subsidiary holdings) assuming the full conversion of the US\$15 million Bonds at the initial Conversion Price of S\$0.10 per Share and that there are no Adjustment Events.
- (3) Lee Suan Hiang is deemed to have an interest in 3,000,000 Shares held through his nominee, DBS Nominees Pte. Ltd..
- (4) Ms Pan is deemed to be interested in 3,199,000 Shares held through her nominee, OCBC Securities Private Limited.

4.2 Interest of Directors and Substantial Shareholders in the Proposed Issue and the proposed allotment and issue of Conversion Shares

Dr Lin, the Executive Chairman, is a Substantial Shareholder and holds 414,779,500 Shares, representing approximately 27.02% of the Company's total issued Shares as at the Latest Practicable Date. Dr Lin has informed the Company that he is a passive investor in one of InnoVision Capital's funds, further details as disclosed below.

Ms Pan is a Substantial Shareholder and holds 168,199,000 Shares, representing approximately 10.96% of the Company's total issued Shares as at the Latest Practicable Date. Ms Pan has also informed the Company that she is a passive investor in one of InnoVision Capital's funds, further details as disclosed below.

Save as disclosed in this Section, none of the Directors or the Substantial Shareholders or their respective associates has any interest, direct or indirect, in the above transactions, other than through their respective directorships and/or shareholdings in the Company.

For completeness, SCCL does not have any shareholding interests in the Company. Certain directors, employees and shareholders of SCCL own Shares in their personal capacities and as part of their personal investments. None of them are Substantial Shareholders. A shareholder of SCCL is also a passive investor in one of InnoVision Capital's funds. As mentioned in Section 2.3 above, as an investor, the SCCL shareholder has no say or influence over any investment decisions made by the general partner.

Further details on Dr Lin and Ms Pan's passive investments in the InnoVision Capital fund

Out of the aggregate principal amount of US\$15 million representing the Consideration for the Bonds which the Investor is investing in the Company, as at the Latest Practicable Date, the Investor intends that the sources of the investment funds are as follows:

- (a) US\$6 million comes from the USD Fund; and
- (b) US\$9 million comes from InnoVision Capital's RMB fund (i.e. 广东旭泽华新投资合伙企业(有限合伙)(Master Fund), 珠海横琴泽麒华新股权投资合伙企业(有限合伙)(Parallel Fund) and 珠海得睿华新投资合伙企业(有限合伙)) ("RMB Fund").

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However, the US\$9 million investment to be provided by the RMB Fund is subject to regulations in China pertaining to overseas direct investment and accordingly is subject to the approval of the relevant authorities in China. In the event the Investor does not receive the necessary approvals in respect of the US\$9 million investment by the RMB Fund, such amount will be provided by the USD Fund instead.

USD Fund has a target fund size of US\$250 million, of which approximately US\$81 million has been raised to date, and RMB Fund has a target fund size of RMB2.195 billion, of which approximately RMB896 million has been raised to date. Both funds are open ended funds and will continue to receive investments. The Consideration for subscribing for the Bonds attributable to the USD Fund compared to its current fund size is summarised as follows:

Consideration for the Bonds	As a percentage of the current fund size of the USD Fund (being approximately US\$81 million) (%)
Where USD Fund contributes US\$6 million (and RMB Fund contributes US\$9 million under the Second Bonds Closing)	7.4%
Where USD Fund contributes US\$15 million (and RMB Fund does not contribute any funds under the Second Bonds Closing)	18.5%

USD Fund

Investors of the USD Fund include IVC Entrepreneur LP (“**IVC Entrepreneur**”) and other investors, who are not related in any way to Dr Lin or Ms Pan. IVC Entrepreneur’s investment in the USD Fund is US\$50 million invested to date, representing 61.57% of total current funds raised by the USD Fund, and the remaining US\$31 million, representing 38.3% of total current funds raised by the USD Fund, was invested by other partners.

Investors of IVC Entrepreneur in turn include BLP Capital Limited (“**BLP Capital**”) (of which Dr Lin holds 60% and Ms Pan holds 40%) and other investors, who are not related in any way to Dr Lin or Ms Pan. There has been an aggregate of US\$56 million invested in IVC Entrepreneur, of which US\$50 million had been invested in the USD Fund (as mentioned above).

BLP Capital has invested US\$10 million in IVC Entrepreneur, representing approximately 17.86% of the total amount invested in IVC Entrepreneur, of which US\$6 million was contributed by Dr Lin and US\$4 million was contributed by Ms Pan, in accordance with their shareholding proportions. Dr Lin and Ms Pan made their investments in the InnoVision Capital fund on or around 25 February 2021.

Accordingly, BLP Capital’s share of IVC Entrepreneur’s investment in the USD Fund is approximately 17.86%, which in turn translates to an approximate effective 11.02% interest in the USD Fund (computed based on IVC Entrepreneur’s approximate percentage interest of 61.57% in the total funds of US\$81 million raised by the USD Fund). Based on the current investment by the USD Fund in the Investor (which amounts to a 90.0% shareholding interest), BLP Capital’s effective interest in the Investor is approximately 9.9%.

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For completeness, the USD Fund's 90.0% shareholding interest in the Investor is not expected to change, as the remaining 10.0% shareholding interest in the Investor is held by Innovision Capital Dingsheng LP (which is managing the affairs of the Investor). BLP Capital's effective interest in the USD Fund may change from time to time, depending on the total funds raised by the USD Fund. BLP Capital is currently not expected to invest further funds in IVC Entrepreneur.

Please refer to Appendix 1 to this Circular setting out the corporate structure in relation to the Investor, including the funds which have invested in the Investor, such as the USD Fund.

RMB Fund

Investors of the RMB Fund comprise investors who are not related in any way to Dr Lin or Ms Pan. For the avoidance of doubt, Dr Lin and Ms Pan are not directly or indirectly invested in the RMB Fund.

Size / Proportion of funding

BLP Capital's aforementioned investment of US\$10 million in IVC Entrepreneur amounts to approximately 4.86% of the aggregate fund size of the USD Fund and RMB Fund combined. BLP Capital's investment represents approximately 0.45% of InnoVision Capital's total assets under management, which is currently approximately RMB16 billion.

As disclosed in Section 2.3 above, investment decisions by InnoVision Capital as a general partner are determined and assessed solely by its investment committee, comprising Mr Zhao, Mr Bo Zhou, Mr Yongrui Liu and Mr Ye Wang, in its absolute discretion. Under its terms of reference, any investment decision would require at least two-thirds approval of the committee members, and is subject to a veto right held by Mr Zhao. Investors in InnoVision Capital funds, as limited partners, do not have any say nor influence whatsoever over the investment decision of the general partner.

There was no agreement and/or arrangement (written or otherwise) between the Investor and/or Dr Lin or Ms Pan for the Investor to invest in the Company and/or Dr Lin or Ms Pan to invest in any of the funds of InnoVision Capital.

The Company is informed that Dr Lin and Ms Pan do not have any intention to inject further funds into the USD Fund nor make any investment in the RMB Fund. Should Dr Lin and Ms Pan increase their contributions to the USD Fund or the RMB Fund (directly or indirectly), each of Dr Lin and Ms Pan have undertaken to disclose the same to the Board and the Company will make an appropriate announcement via SGXNet.

5. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

Dr Lin, Ms Pan and their respective associates will abstain from exercising any voting rights in relation to the Ordinary Resolutions sought to be passed at the EGM, and will not accept nominations to act as proxy by any Shareholder who is unable to attend the EGM unless such Shareholder has provided specific instructions as to voting.

LETTER TO SHAREHOLDERS

6. DIRECTORS' RECOMMENDATIONS

Dr Lin will abstain from making any recommendations on the Proposed Issue and the proposed allotment and issue of the Conversion Shares.

Having fully considered, *inter alia*, the rationale and the terms of the Proposed Issue, the Directors (save for Dr Lin) are of the opinion that the Proposed Issue and the proposed allotment and issue of the Conversion Shares are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolutions to approve the Proposed Issue and the proposed allotment and issue of the Conversion Shares as set out in the Notice of EGM.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at Amara Hotel, Connection 1 Level 3, 165 Tanjong Pagar Road, Singapore 088539 on 28 February 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the resolutions relating to the Proposed Issue and the proposed allotment and issue of the Conversion Shares as set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 A Shareholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon.

8.2 The Proxy Form must be submitted to the Company in the following manner:

(i) by depositing a physical copy at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902; or

(ii) by sending a scanned PDF copy by email to gpb@mncsingapore.com,

in each case, by no later than **10.00 a.m. on 26 February 2023**, and failing which, the Proxy Form will not be treated as valid.

8.3 Shareholders (whether individual or corporate) who wish to appoint the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting on each resolution in the Proxy Form. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the Chairman of the EGM will vote or abstain from voting at his discretion.

8.4 The Company shall be entitled to reject an instrument appointing a proxy or proxies 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 a proxy or proxies. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 CDP to the Company.

LETTER TO SHAREHOLDERS

8.5 As the EGM is being held in person, Shareholders in attendance will be able to raise questions at the EGM. Questions related to the Ordinary Resolutions to be tabled for approval at the EGM may also be submitted prior to the EGM in the following manner:

- (a) All questions must be submitted by no later than **10.00 a.m. on 20 February 2023** via one of the following means:
 - (i) by post, to the Company's registered office at 38 Beach Road, South Beach Tower, #29-11, Singapore 189767; or
 - (ii) by email to queries@leaderet.com.
- (b) If the questions are deposited in physical copy at the registered office of the Company or sent via email, and in either case not accompanied by the completed and executed Proxy Form, the following details of the relevant Shareholder must be included with the submitted questions:
 - (i) full name;
 - (ii) NRIC number;
 - (iii) current residential address;
 - (iv) contact number; and
 - (v) number of Shares held and the manner in which the Shareholder holds the Shares (e.g. via CDP, CPF or SRS),

failing which the submission will be treated as invalid. The Company will address substantial and relevant questions relating to the Ordinary Resolutions to be tabled for approval by 24 February 2023 and will endeavour to address (i) subsequent clarifications sought, (ii) follow-up questions, or (iii) subsequent substantial and relevant questions which are received after such date at the EGM itself. Where substantially similar questions are received, such questions will be consolidated and consequently not all questions may be individually addressed.

9. 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 Investment Agreement, Proposed Issue, Bonds, Conversion Shares and the Group, 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.

LETTER TO SHAREHOLDERS

10. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the financial adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Issue, the Company and its Subsidiaries, and the financial adviser is not aware of any facts the omission of which would make any statement in the document misleading.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time, copies of the following documents will be available at the office of the Company's office at 41 Science Park Road, #04-11 The Gemini, Singapore 117610 for inspection from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution;
- (b) the Investment Agreement (including all amendments and modifications thereto); and
- (c) the Novation Agreement.

Shareholders who wish to inspect these documents are required to send an email request to *pohyeow@leaderet.com* to make an appointment in advance.

Yours faithfully

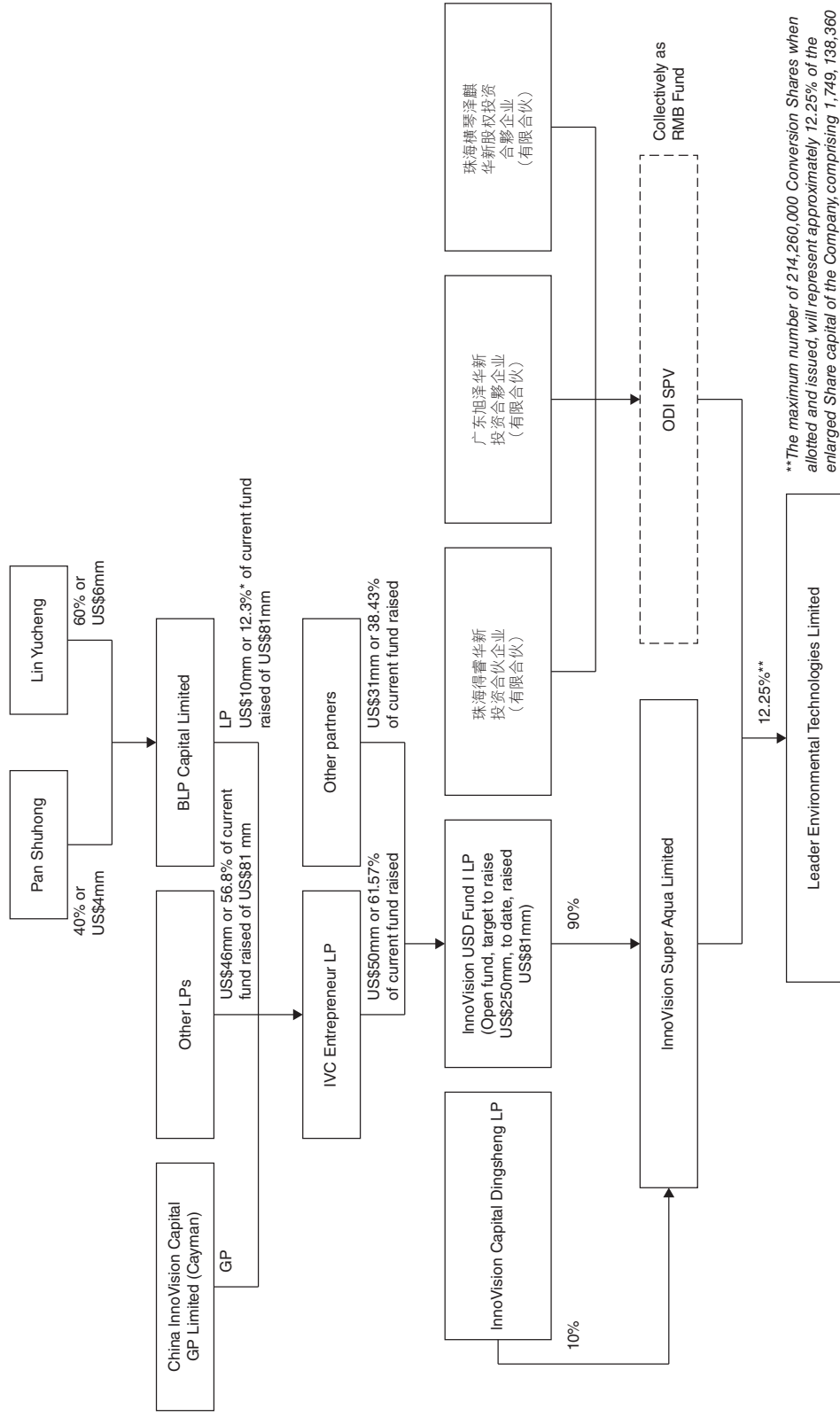
LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

For and on behalf of the Board of Directors

Mr Ngoo Lin Fong

Executive Director

APPENDIX 1 – FURTHER INFORMATION ON THE INVESTOR



**The maximum number of 214,260,000 Conversion Shares when allotted and issued, will represent approximately 12.25% of the enlarged Share capital of the Company, comprising 1,749,138,360 Shares (excluding treasury shares and subsidiary holdings) after the full conversion of the Bonds.

*Percentage will drop as the fund raised increases

APPENDIX 2 – EXTRACT OF REDEMPTION CONDITIONS OF BONDS

All capitalised terms and expressions hereinafter appearing shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Investment Agreement and the Conditions.

Conditions 10 and 12 as set out in Schedule 2 of the Investment Agreement pertain to the redemption of the Bonds, which are extracted and reproduced below:

“10. REDEMPTION

10.1 Redemption at Maturity

- (a) Unless previously redeemed or converted, the Company will redeem the Bonds at 100% of its principal amount (less any amount received under Condition 4) plus a premium that would give the Bondholders a yield to maturity of 8% per annum compounded annually, on the date falling three years after the date of issue of the Bonds (“**Final Maturity Date**”). The Bonds may not be redeemed by the Company, in whole or in part, prior to that date other than in accordance herewith.
- (b) On or prior to the Final Maturity Date, the Company may at its discretion, subject to the provision of a written notification to all the Bondholders, extend the Final Maturity Date for a period of up to two years.

10.2 Optional Early Redemption on Change of Executive Chairman or Chief Executive Officer

In the event of a change in the current holder of the offices of Executive Chairman of the Board (i.e. Dr. Lin) or Chief Executive Officer of the Company (i.e. Mr. Li Li) other than as a result of death or loss of physical or mental capacity (evidence of which shall require the written opinion of a licensed medical practitioner) or other than pursuant to legal or regulatory requirements (including Listing Rules), the Bondholder will have the right to require the Company to redeem all or some only the outstanding Bonds at a redemption amount (“**Early Redemption Amount**”) equal to 100% of the principal amount (less any amount received under Condition 4) plus a premium that would give the Bondholder a yield to redemption of 8% per annum compounded annually.

10.3 Optional Early Redemption Upon Delisting, Change of Control or Merger

Following a Delisting, a Change of Control or a Merger, the Bondholder will have the right, at its option, to require the Company to redeem all or some only of the Bonds at the Early Redemption Amount.

A “**Delisting**” occurs when the Shares cease to be admitted to trading on the SGX-ST, or are suspended for a period equal to or exceeding 90 Trading Days on the SGX-ST, and the prior written consent of the Bondholders has not been obtained for such Delisting.

A “**Change of Control**” occurs when any Person (other than Dr. Lin and/or Ms. Pan) acquires directly or indirectly Control of the Company.

A “**Merger**” occurs when there is any consolidation or amalgamation of the Company with, or merger of the Company into, any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or there is any sale or transfer of all or substantially all of the assets of the Company to a third party.

...

APPENDIX 2 – EXTRACT OF REDEMPTION CONDITIONS OF BONDS

12. EVENTS OF DEFAULT

The Bondholder may at its discretion give notice to the Company that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at a redemption amount (“**EOD Redemption Amount**”) equal to 100% of the principal amount of the Bonds plus a premium equivalent to an Internal Rate of Return of 10% on such principal amount if any of the following events (each, an “**Event of Default**”) has occurred:

- (a) **Non-Payment.** Default is made in the payment of any amount due in respect of the Bonds and the default continues for a period of 45 days;
- (b) **Failure to Deliver Conversion Shares.** Any failure by the Company to deliver or cause to be delivered Conversion Shares as and when Conversion Shares are required to be delivered following exercise of a Conversion Right;
- (c) **Breach of Other Obligations.** The Company does not perform or comply with any one or more of its other obligations in these Conditions which default is not remedied or waived by the Bondholder within 45 days of the earlier of (a) the Bondholder giving written notice of the failure to perform or comply to the Company and (b) the Company becoming aware of the failure to perform or comply;
- (d) **Enforcement Proceedings.** A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Group and is not discharged or stayed within 45 days;
- (e) **Security Enforced.** Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Group becomes enforceable over the whole or any material part of its property, assets or revenue and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person) and is not removed, dismissed, discharged or stayed within 45 days;
- (f) **Insolvency.** The Group is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a material part of (or of a particular type of) the debts of the Group;
- (g) **Winding-up**
 - (i) An administrator is appointed, an order is made or an effective resolution passed for the creditors’ winding-up or administration of the Group, or the Group shall apply or petition for a winding-up or administration order in respect of itself except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation:
 - (A) on terms approved by the Bondholder; or
 - (B) in the case of a Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Company or any other Subsidiary; or

APPENDIX 2 – EXTRACT OF REDEMPTION CONDITIONS OF BONDS

- (ii) the Group ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, otherwise than:
 - (A) on terms approved by the Bondholder;
 - (B) in the case of a Subsidiary, pursuant to a sale of its business or assets on commercial terms, provided such Subsidiary shall remain solvent at all times and any proceeds from such sale remain within the Group; or
 - (C) in the case of a Subsidiary, pursuant to a voluntary liquidation or winding-up of such Subsidiary on a solvent basis whereby the assets remain within the Group;
- (h) **Illegality.** It is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Bonds or the Investment Agreement;
- (i) **Declared Company.** The Company is declared by the Minister of Finance of Singapore to be a company to which Part IX of the Companies Act applies; or
- (j) **Analogous Events.** Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.”

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

All capitalised terms and expressions hereinafter appearing shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Investment Agreement and the Conditions.

Condition 6.3 of the Bonds provides that the Conversion Price shall be adjusted in accordance with the Adjustment Events set out in Schedule 4 to the Investment Agreement, which are extracted and reproduced below:

“6.3 Adjustments to Conversion Price

The Conversion Price shall be adjusted in accordance with Adjustment Events. Notwithstanding any provisions to the contrary, the issuance of Shares and the grant of any new options or awards pursuant to the Company’s existing Share Award Plan or Share Option Scheme or any future employee share option scheme or plans which are in compliance with the Listing Rules, and any issuance of Shares at an issue price above the Conversion Price pursuant to future agreements in relation to the Group’s acquisition of securities, assets or businesses, shall not result in any adjustments to the Conversion Price.

...

SCHEDULE 4

Adjustments to Conversion Price

1. CONSOLIDATION, SUBDIVISION OR RECLASSIFICATION

If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration with the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

2. CAPITALISATION OF PROFITS OR RESERVES

The issue of Shares by the Company credited as fully paid to the holders of Shares (“**Shareholders**”), by way of capitalisation of profits or reserves, including a free distribution or bonus issue of Shares, other than an issue of Shares paid up out of profits or reserves and issued in lieu of the whole or any part of a specifically declared Dividend in cash, being a Dividend which the Shareholders concerned could otherwise have received (a “**Scrip Dividend**”).

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such issue; and

B is the aggregate number of issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

3. RIGHTS ISSUES OF SHARES OR OPTIONS OVER SHARES

The issue of Shares to all or substantially all Shareholders as a class by the Company by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price per Share on the date on which the final terms of such issue or grant is first publicly announced.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at the Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be or, where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be).

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

4. RIGHTS ISSUES OF OTHER SECURITIES

The issue of any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by the Company by way of rights or the grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$

where:

- A** is the Current Market Price of one Share on the date on which the final terms of such issue or grant is first publicly announced; and
- B** is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

5. ISSUES AT LESS THAN THE CONVERSION PRICE

The issue (otherwise than as mentioned in sub-paragraph 3 above) by the Company wholly for cash of any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in sub-paragraph 3 above) options, warrants or other rights to subscribe or purchase Shares, in each case at a price per Share which is less than the Conversion Price in effect on the date on which the final terms of such issue is first publicly announced.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{C}$$

where:

- A** is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at the Conversion Price per Share in effect immediately prior to adjustment; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

6. OTHER ISSUES AT LESS THAN CONVERSION PRICE

The issue wholly for cash by the Company (otherwise than as mentioned in sub-paragraph 3, 4 or 5) of any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than the Conversion Price on the date on which the final terms of issue of such securities is first publicly announced.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at the Conversion Price per Share in effect immediately prior to the adjustment; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

7. MODIFICATION OF RIGHTS OF CONVERSION ETC.

Any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than the Bonds as mentioned in sub-paragraph 6 (other than in accordance with the terms of such securities)) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Conversion Price on the date on which the final terms of the proposals for such modification is first publicly announced.

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A** is the number of Shares in issue immediately before such modification;
- B** is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at the Conversion Price per Share in effect immediately prior to the adjustment or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C** is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as the auditors of the Company (“**Auditors**”) considers appropriate (if at all) for any previous adjustment under this sub-paragraph 7 or sub-paragraph 6.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

8. FOR THE PURPOSES OF THIS SCHEDULE

- 8.1 “**closing price**” for the Shares for any Trading Day shall be the closing market price quoted on the SGX-ST for such Trading Day.
- 8.2 “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the closing prices quoted on the SGX-ST for one Share (being a Share carrying full entitlement to Dividend) for the 20 consecutive Trading Days ending on such particular date. If trading on the Shares is not available for a full Trading Day on such particular date, the Current Market Price shall be based on the weighted average price for trades done up to the time of the announcement (or, if applicable, the trading halt) on such particular date.

Provided that if at any time during the said 20 Trading Days period, the Shares shall have been quoted ex-Dividend (or ex-any other entitlement) and during some other part of that period, the Shares shall have been quoted cum-Dividend (or cum-any other entitlement) then:

- (a) if the Shares to be issued in such circumstances do not rank for the Dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Share as at the date of first public announcement of such Dividend or entitlement; or

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

- (b) if the Shares to be issued in such circumstances rank for the Dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such amount equal to the Fair Market Value of that Dividend (or entitlement) per Share as at the date of first public announcement of such Dividend or entitlement,

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-Dividend (or cum-any other entitlement) in respect of a Dividend (or entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that Dividend (or entitlement) per Share as at the date of the first public announcement of such Dividend or entitlement, and provided further that, if the closing price of a Share is not available on one or more of the said 20 Trading Days, then the average of such closing prices which are available in that 20-Trading-Day period shall be used (subject to a minimum of two such prices) and if only one, or no, closing price is available in the relevant period the Current Market Price shall be determined in good faith by the Auditors.

8.3 **“Dividend”** means any dividend or distribution, whether of cash, assets or other property (including a distribution of assets in specie), and whenever paid or made and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders or in connection with a reduction of capital (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, the, the Dividend in question shall be treated as a cash Dividend of an amount equal to the greater of (i) the cash Dividend so announced or (ii) the issue price on the date of announcement of such Dividend or capitalisation, of such Shares or the Fair Market Value of other property or assets as at the date of the first public announcement of such Dividend or capitalisation to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefor, regardless of whether any such election is made); and
- (b) a purchase or redemption or buy back of capital of the Company by or on behalf of the Company (or a purchase or redemption or buy back of Shares by or on behalf of a Subsidiary of the Company) shall not constitute a Dividend.

8.4 **“Fair Market Value”** means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by the Auditors, provided that (a) the Fair Market Value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; (b) the Fair Market Value of any other cash amount shall be the amount of such cash; (c) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment bank) the Fair Market Value of such options, warrants or other rights shall equal the arithmetic mean

APPENDIX 3 – EXTRACT OF ADJUSTMENT EVENTS

of five Trading Days on the relevant market commencing on such date (or, if later, the first such Trading Day such options, warrants or other rights are publicly traded) or such shorter period as such options, warrants or other rights are publicly traded; and (d) where options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such option, warrants or other rights shall be determined in good faith by the Auditors, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Share, the dividend yield of an Share, the volatility of such market price, prevailing interest rates and the terms of such options, warrants or other rights, including the expiry date and exercise price (if any) thereof.

- 8.5 **“Relevant Stock Exchange”** means at any time, in respect of the Shares, the SGX-ST.
- 8.6 **“Trading Day”** means a day when the SGX-ST is open for dealing business, provided that, where the context may require, if no closing price is reported in respect of the relevant Shares on the SGX-ST for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.
- 8.7 Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Auditors the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by the Auditors to be in its opinion appropriate in order to give such intended result.

Notwithstanding any provision in this Agreement, no adjustment will be made to the Conversion Price when the Conversion Shares are issued, or when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Group pursuant to any new options or awards granted and/or Shares issued pursuant to an exercise of options or awards granted, under the Company’s existing Share Award Plan or Share Option Scheme, any future employee share option scheme or plans which are in compliance with the Listing Manual, and any issuance of Shares at an issue price above the Conversion Price pursuant to future agreements in relation to the Group’s acquisition of securities, assets or businesses, shall not result in any adjustments to the Conversion Price.

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in paragraph 1 above.”

APPENDIX 4 – EXTRACT OF REDEMPTION ILLUSTRATION

All capitalised terms and expressions hereinafter appearing shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Company's announcement dated 19 December 2022.

The Company had on 19 December 2022 announced, *inter alia*, illustrative examples to assist Shareholders in understanding redemption applications under the terms of the Bonds, which are extracted and reproduced below and should be read in conjunction with the terms of the Bonds in entirety:

“APPENDIX

The Company has set out below numerical examples to demonstrate the calculation of the Redemption Amount payable under certain scenarios pursuant to the terms of the Bonds. The illustrative figures presented are based on the first tranche of principal amount of US\$6 million in Bonds to be issued to the Investor and would apply in a similar manner to the second tranche to be issued. As disclosed in the Announcement previously:

- (I) Unless previously redeemed or converted, the Company will redeem the Bonds at 100% of its principal amount (less any amount received by the Bondholder in the event of any distribution of dividends by the Company) plus a premium that would give a yield to maturity of 8% per annum compounded annually, on the Final Maturity Date.
- (II) In the event of any distribution of dividends by the Company, the Bondholder will be entitled to receive from the Company an amount equivalent to the dividends which would have been received by the Bondholder as if the Bonds had been fully converted into Shares. Such dividends shall be taken into consideration in ascertaining the redemption amount payable.
- (III) The occurrence of certain events would entitle the Bondholder to require the Company to redeem all or some only of the outstanding Bonds at the Early Redemption Amount, which is equal to 100% of the principal amount (less any dividends received) plus a premium that would give a yield to redemption of 8% per annum compounded annually.

The figures presented below are purely for illustrative purposes and they do not reflect the actual financial position of the Group, which is currently in a loss-making position based on the latest unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 of the Group. Nothing herein is to be construed as a guarantee or forecast of the Group's profits or its ability to declare or distribute dividends for any period stipulated below.

- (a) Scenario A – Redemption of Bonds on Final Maturity Date (when no dividends are declared)

The redemption amount payable on the Final Maturity Date is set out in the table below and is based on the following assumptions:

- (i) the First Bonds Closing takes place on 31 March 2023 and the first tranche of principal amount of US\$6 million in Bonds has been issued to the Investor on such date;
- (ii) the Company does not declare any dividends for the period that the first tranche Bonds are outstanding; and

APPENDIX 4 – EXTRACT OF REDEMPTION ILLUSTRATION

- (iii) the Bonds are redeemed on the Final Maturity Date and the Company does not exercise the right to extend the Final Maturity Date for a period of up to two years.

	31-Mar-23	30-Apr-23	30-Apr-24	30-Apr-25	31-Mar-26
Principal amount of Bonds (US\$)	-6,000,000				
Dividends declared (US\$)		–			
Dividends declared (US\$)			–		
Dividends declared (US\$)				–	
Redemption Amount (US\$)					7,559,000
Value (US\$)	-6,000,000	–	–	–	7,559,000
				IRR	8.00%

- (b) Scenario B – Redemption of Bonds on Final Maturity Date (when dividends are declared)

The redemption amount payable on the Final Maturity Date is set out in the table below and is based on the following assumptions:

- (i) the First Bonds Closing takes place on 31 March 2023 and the first tranche of principal amount of US\$6 million in Bonds has been issued to the Investor on such date;
- (ii) the Company declares dividends in each year that the first tranche Bonds are outstanding; and
- (iii) the Bonds are redeemed on the Final Maturity Date and the Company does not exercise the right to extend the Final Maturity Date for a period of up to two years.

	31-Mar-23	30-Apr-23	30-Apr-24	30-Apr-25	31-Mar-26
Principal amount of Bonds (US\$)	-6,000,000				
Dividends declared (US\$)		122,500			
Dividends declared (US\$)			122,500		

APPENDIX 4 – EXTRACT OF REDEMPTION ILLUSTRATION

	31-Mar-23	30-Apr-23	30-Apr-24	30-Apr-25	31-Mar-26
Dividends declared (US\$)				122,500	
Redemption Amount (US\$)					7,134,000
Value (US\$)	-6,000,000	122,500	122,500	122,500	7,134,000
				IRR	8.00%

(c) Scenario C – Early Redemption of Bonds (when no dividends are declared)

The Early Redemption Amount payable in the event of an early redemption is set out in the table below and is based on the following assumptions:

- (i) the First Bonds Closing takes place on 31 March 2023 and the first tranche of principal amount of US\$6 million in Bonds has been issued to the Investor on such date;
- (ii) the Company does not declare any dividends for the period that the first tranche Bonds are outstanding; and
- (iii) the Bonds are redeemed in full prior to the Final Maturity Date at the Early Redemption Amount.

	31-Mar-23	30-Apr-23	30-Apr-24	30-Jun-25
Principal amount of Bonds (US\$)	-6,000,000			
Dividends declared (US\$)		–		
Dividends declared (US\$)			–	
Redemption Amount (US\$)				7,135,000
Value (US\$)	-6,000,000	–	–	7,135,000
			IRR	8.00%

(d) Scenario D – Early Redemption of Bonds (when dividends are declared)

The Early Redemption Amount payable in the event of an early redemption is set out in the table below and is based on the following assumptions:

- (i) the First Bonds Closing takes place on 31 March 2023 and the first tranche of principal amount of US\$6 million in Bonds has been issued to the Investor on such date;
- (ii) the Company declares dividends in each year that the first tranche Bonds are outstanding; and

APPENDIX 4 – EXTRACT OF REDEMPTION ILLUSTRATION

- (iii) the Bonds are redeemed in full one year prior to the Final Maturity Date at the Early Redemption Amount.

	31-Mar-23	30-Apr-23	30-Apr-24	30-Jun-25
Principal amount of Bonds (US\$)	-6,000,000			
Dividends declared (US\$)		122,500		
Dividends declared (US\$)			122,500	
Redemption Amount (US\$)				6,856,000
Value (US\$)	-6,000,000	122,500	122,500	6,856,000
			IRR	8.00%

”

NOTICE OF EXTRAORDINARY GENERAL MEETING

LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of the Company will be held at Amara Hotel, Connection 1 Level 3, 165 Tanjong Pagar Road, Singapore 088539 on **28 February 2023 at 10.00 a.m.**, for the purpose of considering and, if thought fit, passing (with or without modifications) the resolutions below.

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular dated 13 February 2023 issued by the Company to the Shareholders ("Circular").

ORDINARY RESOLUTION 1

PROPOSED ISSUE OF UP TO US\$15 MILLION BONDS CONVERTIBLE INTO FULLY-PAID CONVERSION SHARES IN THE CAPITAL OF THE COMPANY AT AN INITIAL CONVERSION PRICE OF S\$0.10 PER NEW SHARE

That, subject to and contingent upon the passing of Ordinary Resolutions 1 and 2:

- (a) approval be and is hereby given for the issue of in aggregate principal amount of US\$15 million Bonds to InnoVision Super Aqua Limited convertible into Conversion Shares at the initial Conversion Price per Conversion Share on the terms and subject to the conditions of the Investment Agreement; and
- (b) the Directors and/or each of them be and is/are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this Ordinary Resolution and in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

Note to Ordinary Resolution 1:

Pursuant to the AIP, Dr Lin and Ms Pan and their respective associates will abstain from exercising any voting rights in relation to Ordinary Resolution 1.

ORDINARY RESOLUTION 2

PROPOSED ALLOTMENT AND ISSUE OF UP TO 214,260,000 CONVERSION SHARES IN THE CAPITAL OF THE COMPANY TO THE BONDHOLDER UPON CONVERSION OF THE BONDS

That, subject to and contingent upon the passing of Ordinary Resolutions 1 and 2:

- (a) approval be and is hereby given for the proposed allotment and issue of up to 214,260,000 Conversion Shares to the Bondholder upon conversion of the Bonds in accordance with the terms of the Investment Agreement; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors and/or each of them be and is/are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this Ordinary Resolution and in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

Note to Ordinary Resolution 2:

Pursuant to the AIP, Dr Lin and Ms Pan and their respective associates will abstain from exercising any voting rights in relation to Ordinary Resolution 2.

By Order of the Board
Mr Ngoo Lin Fong
Executive Director
13 February 2023

Notes:-

- (1) **The members of the Company are invited to attend physically** at the EGM pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for members to participate virtually.** Printed copies of this Notice of EGM together with the Proxy Form and the Circular will be sent to members. These documents are also available to members by electronic means via publication on the Company's website at the URL <https://www.leaderet.com> and SGX website at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.

(2) **Arrangements for participation in the EGM physically**

Members (including CPF and SRS Investors) may participate in the EGM by:

- (a) attending the EGM in person;
- (b) submitting questions to the Chairman of the EGM in advance of, or at, the EGM; and/or
- (c) voting at the EGM (i) themselves personally; or (ii) through their duly appointed proxy(ies). CPF and SRS Investors who wish to appoint the Chairman of the EGM (and not third party prox(ies)) as proxy are to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 6 below for details.

In the event members encounter COVID-19-like symptoms prior to the EGM, members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the EGM. We encourage members to mask up when attending the EGM.

- (3) A member who is not a relevant intermediary, entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the EGM.
- (4) For any member who acts as a relevant intermediary pursuant to Section 181(6) of the Companies Act 1967 who is either:
- (a) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; and
 - (c) Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors,

you are entitled to **appoint one or more proxies** to attend and vote at the EGM. The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the relevant intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (5) Where a member appoints more than one proxy, the member shall specify the proportion of his Shares to be represented by each such proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of Shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.
- (6) CPF/SRS Investors who hold Shares through CPF Agent Banks/SRS Operators:
- (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by 10.00 a.m. on 20 February 2023.
- (7) The instrument appointing a proxy must be deposited at the Company's Share Registrar, M&C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or sent via email to gpb@mncsingapore.com in each case, by 10.00 a.m. on 26 February 2023. The Company shall be entitled to and will treat any valid instrument appointing a proxy as a valid instrument for the member's proxy to attend, speak and vote at the EGM.
- (8) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall if required by law, be duly stamped must be lodged with the instrument.
- (9) A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory.
- If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the Chairman of the EGM will vote or abstain from voting at his discretion.
- (10) In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the items on the agenda of the EGM by:
- (a) submitting questions via mail to the Company's registered office at 38 Beach Road, South Beach Tower, #29-11, Singapore 189767; or
 - (b) email to queries@leaderet.com; or
 - (c) if a member is attending the EGM in person, live at the EGM.

All questions being submitted ahead of the EGM must be submitted by no later than 10.00 a.m. on 20 February 2023.

When submitting the questions via mail or email, please provide the Company with the following details, for verification purposes:

- (i) full name;
- (ii) NRIC number;
- (iii) current residential address;
- (iv) contact number; and
- (v) number of Shares held.

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will address substantial and relevant questions relating to the resolution to be tabled for approval by 24 February 2023 ("**Responses to Q&A**").

The Company endeavours to address (i) subsequent clarifications sought, (ii) follow-up questions, or (iii) subsequent substantial and relevant questions which are received after its Responses to Q&A at the EGM itself. Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNet, and the minutes will include the responses to the questions which are addressed during the EGM, if any.

- (11) The Company shall be entitled to reject an instrument appointing a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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.
- (12) **Important reminder.** Members are reminded to check SGXNet for any latest updates on the status of the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, 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 and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) 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), 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) 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.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

PROXY FORM

LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED

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

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. The Extraordinary General Meeting will be held physically. Members have no option to participate virtually.
2. The notice of Extraordinary General Meeting ("EGM" or "Meeting") together with this proxy form and the circular to the shareholders of Leader Environmental Technologies Limited ("Company") dated 13 February 2023 ("Circular") will be printed and sent by post to members. Unless otherwise defined herein, all capitalised terms used in this Proxy Form shall bear the same meanings ascribed to them in the Circular. These documents will also be made available to members by electronic means via publication on the Company's corporate website at the URL <https://www.leaderet.com> and is also made available on SGXNet website.
3. A relevant intermediary may appoint more than two proxies to attend the EGM and vote (please see note 3 for the definition of "relevant intermediary").
4. For investors who have used their Central Provident Fund ("CPF") and/or Supplementary Retirement Scheme ("SRS") monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
5. Please read the notes to this Proxy Form.

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

of _____ (Address)
being a *member/members of LEADER ENVIRONMENTAL TECHNOLOGIES LIMITED ("**Company**") hereby appoint

Name	Address	NRIC/Passport Number	Proportion of shareholdings

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of shareholdings

or failing *him/her/them, the Chairman of the EGM as *my/our *proxy/proxies to attend, speak and to vote for *me/us on *my/our behalf at the EGM to be held at Amara Hotel, Connection 1 Level 3, 165 Tanjong Pagar Road, Singapore 088539 on 28 February 2023 at 10.00 a.m., and at any adjournment thereof. *I/We have directed *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the EGM indicated hereunder. If no specific directions as to voting on the resolutions are given, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion and any other matters arising at the EGM.

Note: Please indicate with an "X" or number of votes in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. In the absence of specific directions or in the event of any item arising not summarised below, the *proxy/proxies may vote or abstain as *he/she/they may think fit.

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*	No. of Votes Abstaining*
1.	To approve the Proposed Issue (Ordinary Resolution 1)			
2.	To approve the proposed allotment and issue of up to 214,260,000 Conversion Shares in the capital of the Company to the Bondholder upon conversion of the Bonds (Ordinary Resolution 2)			

Dated this _____ day of _____ 2023

Total number of Shares in:	No. of Shares
(a) Depository 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 a proxy or proxies 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 who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote on his behalf at the EGM. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of Shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid. A proxy need not be a member of the Company.
3. A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the Chairman of the EGM will vote or abstain from voting at his discretion.
4. Pursuant to Section 181 of the Companies Act 1967, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary is either:
 - (i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (ii) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors.
5. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, M&C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or sent via email to gbp@mncsingapore.com in each case by 10.00 a.m. on 26 February 2023 (being not less than 48 hours before the time appointed for the EGM).
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation that 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 at the EGM, in accordance with Section 179 of the Companies Act 1967.

General:

The Company shall be entitled to reject an instrument appointing a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of the EGM dated 13 February 2023.