



Leader Environmental Technologies Limited

利德环保技术有限公司

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

(Company Registration Number: 200611799H)

**MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS
OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 28 February 2023 in relation to its unaudited financial results for the financial year ended 31 December 2022.

The Board of Directors of Leader Environmental Technologies Limited ("Company" and together with its subsidiaries, "Group") refers to the unaudited full year financial results announcement for the financial year ended 31 December 2022 ("FY2022") released via the SGX-NET on 28 February 2023 ("**Unaudited**"). Further reference is made to the Audited Financial Statements of the Company for FY2022 ("**Audited**").

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there were certain reclassifications made by the Company in respect of the Consolidated Statement of Cash Flows of the Group in the Audited Financial Statements as compared with the Unaudited Financial Statements for FY2022 and FY2021 respectively.

Below are comparisons between the Unaudited Consolidated Statement of Cash Flows which was announced on 28 February 2023 and the Audited Consolidated Statement of Cash Flows for FY2022 and FY2021 respectively.

Consolidated Statement of Cash Flows for the financial year ended 31 December 2022

	Audited RMB'000	Unaudited RMB'000	Variance RMB'000
Net cash used in operating activities	(33,707)	(34,732)	1,025
Net cash flows used in investing activities	(14,986)	(14,986)	-
Net cash flows (used in)/generated from financing activities	(370)	655	(1,025)
Net decrease in cash and cash equivalents	(49,063)	(49,063)	-
Effect of foreign exchange rate changes on balances held in foreign currencies	229	229	-
Cash and cash equivalents at the beginning of the year	92,137	92,137	
Cash and cash equivalents at the end of the year	43,303	43,303	

Notes:

	Operating activities RMB'000	Financing activities RMB'000	Remarks
Increase in trade and other payables	1,025	-	(a)
Capital contributions from non-controlling shareholders of subsidiaries ("NCI")	-	(1,025)	(a)

- (a) The capitalization of loan from a related party into share capital of subsidiary of RMB1,025,000 was deemed to be part of the working capital changes under trade and other payables instead of capital contributions from non-controlling shareholders of subsidiaries since there was no cash outflow during the financial year.

Consolidated Statement of Cash Flows for the financial year ended 31 December 2021

	Audited RMB'000	Unaudited RMB'000	Variance RMB'000
Net cash used in operating activities	(12,579)	(20,826)	8,247
Net cash flows used in investing activities	(49,190)	(40,943)	(8,247)
Net cash flows generated from financing activities	106,413	106,413	-
Net increase in cash and cash equivalents	44,644	44,644	-
Effect of foreign exchange rate changes on balances held in foreign currencies	(135)	(135)	-
Cash and cash equivalents at the beginning of the year	47,628	47,628	
Cash and cash equivalents at the end of the year	92,137	92,137	

Notes:

	Operating activities	Investing activities	Remarks
	RMB'000	RMB'000	
Decrease in trade and other receivables	8,247	-	(a)
Advances to a related party	-	(8,247)	(a)

- (a) The advances to related party of RMB8,247,000 for purpose of procurement of property, plant and equipment in relation to the membrane manufacturing plant were deemed to be part of the investing activities instead of working capital changes under trade and other receivables.

By Order of the Board

Ngoo Lin Fong
Executive Director
11 April 2023