



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)

1) UPDATES OF STRATEGIC REVIEW COMMITTEE

2) APPOINTMENT OF EXECUTIVE DIRECTOR

1. INTRODUCTION

The Board of Directors of the Company refers to the circular to Shareholders dated 13 May 2020 ("**Circular**") in relation to the placement of shares by the Company and the announcement dated 29 May 2020 ("**Previous Announcement**").

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular and the Previous Announcement.

2. STRATEGIC REVIEW COMMITTEE

As announced in the Previous Announcement, pursuant to Completion of the placement of shares in the Company, the Board decided to constitute an interim sub-committee of the Board, namely, the Strategic Review Committee ("**Committee**"). The Committee comprises the Directors, the chief financial officer of the Company, and Dr. Lin Yucheng ("**Dr. Lin**"). The Board invited Dr Lin to be a key member of the committee in view of his expertise in the industry, substantial experience and extensive track record.

As mentioned in the Previous Announcement, the Committee expects to convene and meet expeditiously and regularly as a matter of priority and will advise and make recommendations to the Board on the strategic direction, innovations and initiatives of the Group, including growing and strengthening the Group's existing businesses, enhancing the Group's core competencies, achieving better operational and management synergies and efficiencies, developing new growth engines, active pursuit of new projects and opportunities, reviewing capital allocations and planning to ensure satisfactory return of capital, promoting and rewarding a culture of innovation across the Group, as well as sourcing, supporting, evaluating and fund raising in respect of merger and acquisition opportunities and business model transformation activities.

3. PROPOSALS AND RECOMMENDATIONS OF THE COMMITTEE

The Company wishes to update Shareholders on the key matters deliberated and approved by the Board set out below, following the proposals and recommendations of the Committee.

3.1 STRATEGIC DIRECTION, INNOVATIONS AND INITIATIVES OF THE GROUP

After reviewing the current business model of the Group and upon the recommendations from the Committee, the Board approved the Committee's proposals and recommendations to expand the Group's business in the treatment of municipal sludge, industrial wastewater treatment and production of equipment widely used in water and sludge treatment. The Group also needs to rebalance its revenue streams with more recurring income, as the revenue generated based on the existing business model consists mainly of one-off, very lumpy, turn-key projects. The following are the 5 recommendations aimed at transforming the Group into a technology driven, comprehensive one-stop environmental solutions provider:

1. Attract talents and build a core team, including technical experts, market development and senior management personnel, as well as create enterprise culture of technological innovation and management efficiency.
2. Develop innovative environmental technologies, focusing on the development of "economical, intelligent, efficient and reliable" municipal sludge and industrial wastewater treatment technologies, as well as high-performance membrane technologies. Develop standardized treatment equipment and systems based on our technology and scale up production in order to reduce project investment, construction and operating costs.
3. Move to high-tech oriented business to differentiate ourselves from other environmental protection companies. Focus on municipal sludge treatment and disposal, and industrial wastewater treatment based on high-end membrane technologies. Position the Group as a premier integrated environmental services provider, particularly in China, offering a full spectrum of services including technical consulting, system integration, equipment and product supply, project investment, engineering design procurement and construction ("EPC"), and operational and maintenance ("O&M").
4. Actively explore project investment, merger and acquisition ("M&A") opportunities, as well as sludge and wastewater treatment O&M projects to improve long-term recurring income. Reduce the risk of significant fluctuations in performance due to the sole reliance on engineering EPC revenue sources. Focus on relatively larger EPC projects with reputable enterprises and forgo or avoid undertaking small-scale engineering projects in order to improve productivity and resources allocation.
5. Explore low-cost financing channels, innovate investment and operating models to ensure the cost-effective implementation of investment projects.

4. APPOINTMENT OF DR. LIN YUCHENG AS AN EXECUTIVE DIRECTOR

The Board, after due consideration of the expertise and contributions that Dr. Lin is able to bring to the Company, appoints Dr. Lin as an executive director of the Company with immediate effect.

The Company welcomes Dr. Lin to the Board.

By Order of the Board

Lin Baiyin
Executive Chairman and CEO
8 June 2020