



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)

LEADER IN JOINT INVESTMENT WITH LOCAL GOVERNMENT OF YISHUI COUNTY, LINYI CITY, SHANDONG PROVINCE

The Board of Directors of Leader Environmental Technologies Limited (“**Company**” or “**Leader**”, and together with its subsidiaries, “**Group**”) wishes to announce that the Company has entered into a joint investment agreement with the local government of Yishui (沂水) county, Linyi (临沂) city, Shandong (山东) province to take an indirect shareholding interest of 46.8% in investments in animal manure, sludge and wastewater treatment projects in the county (“**Investment**”).

The Company will form a joint venture company with Jinan Kaida Huicheng Shui Wu Co., Ltd (“**济南凯达汇成水务有限公司**” or “**Jinan Kaida**”) and Qingdao Hexin Huanjing Co., Ltd (“**青岛和信环境有限公司**” or “**Qingdao Hexin**”) with shareholdings of 72%, 18.2% and 9.8% respectively. Both Jinan Kaida and Qingdao Hexin are companies engaged in environmental business, mainly in Shandong province.

The joint venture company will then participate in an investment company with the local government with shareholding interests of 65% and 35% respectively.

The total investment amount is expected to be approximately RMB 255 million (equivalent to SGD 52.6 million) for the investments in two Transfer-Operate-Transfer (“**TOT**”) animal manure treatment and resource recovery facilities with combined treatment capacity of 1,000 ton/day, one Build-Operate-Transfer (“**BOT**”) sludge treatment plant of 100 ton/day, and one Operation and Maintenance (“**O&M**”) contract for a 30,000m³/day industrial wastewater treatment plant.

The animal manure and sludge will be treated to reduce pollution and mass, generate renewable energy (compressed natural gas or CNG), and achieve resource recovery, i.e. fertilizer for soil conditioner and agriculture plantation.

Executive Chairman and Chief Executive Officer of Leader, Dr Lin Yucheng, comments on the Investment: “This Investment allows the Company to provide a one-stop solution to the complete treatment and resource recovery of animal manure and sludge. Animal manure and sludge pose a big environmental challenge in China. We are confident that, with our advanced technologies and vast experience, we can tap on the huge market potential.”

The sludge treatment project will commence after the commissioning and acceptance of the animal manure treatment project, and the construction is expected to be completed in 12 months. The operation and maintenance of the two animal manure treatment facilities and the wastewater treatment plant will commence immediately.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any of the foregoing projects and/or investments as stated in this announcement, other than through their respective shareholdings in the Company.

By Order of the Board

Dr Lin Yucheng
Executive Chairman and Chief Executive Officer
12 May 2021