



## 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)

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### LEADER DEPLOYS ARTIFICIAL INTELLIGENCE TECHNOLOGY IN WATER TREATMENT

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The Board of Directors of Leader Environmental Technologies Ltd (“**Leader**” or “**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that it has entered into a long-term service contract of up to 5 years with Tianjin Hongsheng Water Co Ltd to optimise the operations of six wastewater treatment plants with a combined capacity of 31,500 m<sup>3</sup>/day, particularly to reduce the energy and chemical costs. The Company will deploy its technical expertise in the operations and maintenance of wastewater treatment coupled with artificial intelligence (“**AI**”) technology to reduce the treatment costs while ensuring compliance with the discharge limits. A portion of the cost savings will be paid to the Company for the services provided.

“China treats about 200 million m<sup>3</sup>/day of wastewater. Energy and chemical easily account for over 60% of the treatment cost. We see great potential for process optimisation to reduce cost in China’s wastewater treatment industry. Our superior AI technology is able to predict wastewater treatment performance, achieve intelligent control of treatment processes and deliver cost savings for our clients. We are confident that Leader’s proprietary AI technology in wastewater treatment will be deployed rapidly into the market especially in China with capacity of about 200 million m<sup>3</sup>/day,” said Mr Li Li, Chief Executive Officer (“**CEO**”) of Leader.

A joint venture company (“**JV**”), AIWater (Anhui) Co., Ltd, with registered share capital of RMB 65 million will be incorporated in Hefei City, Anhui Province to undertake the project. The JV is owned by the Company (70%), a strategic investor, Yuanxin Environmental Technologies (Zhuhai Hengqin) LLP (20%), and a limited partnership owned by the management team, Xinqin Envirotech (Zhuhai Hengqin) LLP (10%). The initial capital contribution for the JV will be RMB10 million.

The investment in the JV will be funded using the proceeds from the Company’s Rights Issue.

The aforesaid JV is not, in itself, expected to have any material impact on the earnings and net tangible assets per share of the Group for the current financial year ending 31 December 2021.

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. In the case of Mr Li Li, the CEO of the Company, he is the General Partner and has an interest of 8.6154% in Xinqin Envirotech (Zhuhai Hengqin) LLP or 0.86154% interest in the JV.

**BY ORDER OF THE BOARD**

Dr Lin Yucheng  
Executive Chairman  
2 November 2021

## **About Leader Environmental Technologies Limited**

Leader Environmental Technologies Limited (“Leader” or “Company”) was incorporated on 15 August 2006 and was listed on Main Board of the Singapore Exchange (“SGX”) in July 2010. The Company positions itself as a high-tech oriented company focusing on the following four key businesses:

- A. Sludge treatment – formulate unique customized solution and supply of integrated system for municipal sludge management based on its proprietary technologies, such as integrated continuous thermal hydrolysis and pyrolysis, and innovative sludge pretreatment and efficient energy recovery system to achieve the objectives of carbon emission reduction, zero-waste discharge and resource recovery.
- B. Industrial wastewater treatment – treatment and recycling of industrial wastewater using advanced membrane technologies, namely, Membrane Bio-reactor (“MBR”), Continuous Membrane Filtration (“CMF”) and Reverse Osmosis (“RO”).
- C. High performance membrane products – research, development and manufacturing of high-performance membrane products, mainly for water and wastewater treatment, and other separation applications for pharmaceutical, life science, healthcare and chemical industries.
- D. Greentech investments – investments in companies specializing in high-tech environmental solutions, technologies and products.