



Leader Environmental Technologies Limited



FOR IMMEDIATE RELEASE

Leader Environmental Technologies Limited receives US\$15 million investment from funds managed by InnoVision Capital

- InnoVision Capital is an institutionalized Asian/PRC Private Equity 3.0 manager, founded by former KKR's member.
- Convertible bond ("CB") investment with zero annual interest and a conversion price of S\$0.10 per Share, representing a premium of 73.9% of the volume weighted average price ("VWAP") of S\$0.0575 of the last trading day.
- The US\$15 million investment will accelerate the Group's growth in the Sludge Treatment and Artificial Intelligence (AI) Water Management business.

Singapore 11 October 2022 - Leader Environmental Technologies Limited (the "Company" or the "Group" or "Leader" SGX:LS9), a high-tech environmental solution provider, is pleased to announce that the Company has entered into a definitive agreement with InnoVision Pomelo LP, a special purpose vehicle established and managed by China InnoVision Capital GP Limited ("InnoVision Capital") as general partner for a US\$15 million CB investment.

The Conversion Price of S\$0.10 per share into ordinary equity share represents a premium of 73.9% to the VWAP of the last trading day of the Company prior to the announcement. There will not be any annual interest payable by the Company on the CB (ie: zero-coupon convertible bonds) and the CB has a 3-year tenure with an option for the Company to extend the maturity date by a further 2 years or lesser. When converted, the CB holders will own approximately 12.25% of the Company's enlarged share capital. This US\$15 million investment will support the Group in building a sizable portfolio of Sludge Treatment Projects and Artificial Intelligence (AI) Water Management Projects.

Leader's proprietary sludge treatment technologies including integrated continuous thermal hydrolysis and pyrolysis provide cost effective and energy efficient treatment solutions to achieve the objective of carbon reduction, zero waste discharge and resource recovery. There are currently more than 3,500 municipal wastewater treatment plants in China with the total treatment capacity of approximately 200 million tons per day generating more than 50 million tons of sludge annually. Leader provides its technical expertise in the operations and maintenance of wastewater treatment plants coupled with its proprietary AI technology which is able to predict wastewater treatment performance, achieve intelligent control of treatment process and deliver 10% - 20% of cost savings mainly in energy and chemicals while ensuring compliance with the high discharge standards.

Founded in 2016, InnoVision Capital is broadly recognized as an institutionalized Asian / 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. Since inception, InnoVision Capital has had a number of successful IPOs and exits and generated consistently top quartile returns for all the funds under management.

Mr Lane Fu Zhao (“Mr Zhao”), the Founder & CEO of InnoVision Capital, is a 19-year veteran in the private equity industry. Prior to founding InnoVision Capital, Mr Zhao was with KKR for 10 years 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.

In 2011, during his time at KKR, Mr. Zhao led KKR’s first ESG investment in Asia to invest into SGX-ST Main Board listed United Envirotech Ltd, of which Dr. Lin Yucheng, 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 which was privatised by the CITIC Group eventually in 2020.

Mr Lane Fu Zhao commented, “We are excited with this investment opportunity. Leader addresses Asia’s existing and pressing issues on sludge and water pollution. The management team has world class technology innovation and execution capability, and is highly qualified and experienced with proven track record in Asia’s water & wastewater treatment industry. We are confident that the Company will benefit from the nascent but large addressable market with high growth potential in Asia where there are inadequate treatments of sludge as well as higher energy costs to operate wastewater treatment plants efficiently to meet the high discharge standards”.

Mr Li Li, CEO of the Company commented, *“We welcome InnoVision Capital as our investor and partner. The team members have deep knowledge of the environmental protection industry in Asia and private equity experience with the Founder of InnoVision Capital being a former KKR Asia director focusing on the green economy space in Asia. They are very focused on supporting the long-term growth of our business and will add value to our Group in terms of operational management expertise and strategic network, as well as in corporate governance and best-in-class internal processes. We have unique proprietary technologies to address the pressing needs of our customers and a strong pipeline on hand. We highly appreciate InnoVision Capital’s deep insights in the green economy space and their strong value creation capabilities, which will bring us meaningful value to grow our business over time. This investment will accelerate our growth in both the Sludge Treatment and AI Water Management industries.”*

-The End –

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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 zero-waste discharge and resource recovery.
- B. Artificial Intelligent Water Management – Treatment and recycling of highly pollutive industrial wastewater using advanced membrane-based technologies and integrated artificial intelligence (AI) technology and modelling in water and energy management.
- 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.

About InnoVision Capital

Founded in 2016, InnoVision Capital is broadly recognized as an institutionalized Private Equity 3.0 manager in Asia / China with over 19 years of strong and proven track record. InnoVision’s founding team members have been focusing on investing in the green energy, climate impact and ESG, sustainability sectors for more than 12 years in Asia and China, with deep industry knowledge, top notch deal sourcing network, strong value creation capability and best-in-class internal processes.

InnoVision has both USD and RMB funds under management currently, with deep insights in regulation trend, successful experiences in both international and Chinese capital markets and disciplined exit strategy. InnoVision has many successful investments since its inception, such as Beike (NYSE: BEKE), JD Logistics (HK: 02618), China Securities (601066.SH), WuXi AppTec (603259.SH; HK:02359), Lvkon, Eswin, Neurophth, 58’s Privatization, Channel Soft, Vtown, Catug, Kedu Healthcare, Butel, Uni-Ubi, Lalami, etc. InnoVision’s portfolios are very well-positioned to leverage on the enormous growth opportunities in the green energy / climate impact and ESG / sustainability sectors over time.

Prior to founding InnoVision Capital, Mr. Zhao has led and played a significant role in numerous successful deals, such as United Envirotech, Far East Horizon, Modern Dairy, Pingan Insurance, Mengniu Dairy, CICC, BeLLE International, etc.

InnoVision's Mission: Make the World a Better Place through Our Investments

InnoVision's Vision: Establish a World-Class Investment Organization

InnoVision's Value: Customer Success, Radical Truth, Embrace Changes, Team Work