



Leader Environmental Technologies Limited (“Leader”)

Investor Presentation

11 October 2022

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These factors include but are not limited to:

- Changes in general economic, political or market conditions of the businesses;
- Currency exchange rate fluctuations;
- The successful execution of internal performance plans, including cost reduction and productivity efforts;
- Product performance risks, as well as project development and management risks;
- Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- Competition and consolidation in the industries the Company operates in;
- The outcome of political and legal processes including the availability of financing for certain projects;
- Research and development costs in connection with new products;
- Legal, financial and governmental risks related to international transactions;
- Legal and investigatory proceedings and other economic, political and technological risks and uncertainties;
- The full impact of the COVID-19 pandemic and the resulting health and economic crisis.

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Executive Summary

Executive Summary

US\$15mm CB in view of securing more projects to increase Shareholders' Value with Business Expansion and Growth

- The Company seeks to issue up to US\$15 million in aggregate principal amount of redeemable zero-coupon convertible bonds ("Bonds"), convertible into fully-paid ordinary shares in the capital of the Company ("Shares") at an initial conversion price of S\$0.10 per new Share ("Conversion Price") ("Conversion Share").
- The Company intends to use the majority of proceeds raised to secure more sludge treatment projects and AI water management projects.
- The sludge treatment projects are expected to generate one-off engineering, procurement and construction (EPC) income during the construction of the projects, and upon completion, generate recurring income for the Group over the lifespan of the projects, which is generally between 25 to 30 years.
- The AI water management projects are expected to generate recurring income for the Group during the contract period, which is generally between five to ten years. Assuming these projects are successful, they will be EPS accretive and value accretive to the Group.
- The additional capital raised from the Proposed Issue will position the Group favourably to build a sizable portfolio of sludge treatment projects and AI water management projects by taking on more such projects with external financing from PRC financial institutions, which typically provide funding on a 40:60 equity-debt ratio basis.

Salient CB Terms

Salient Convertible Bond (“CB”) Terms (1/2)

Issue Size	Up to US\$15mm (approximately S\$21.43mm ¹)
Subscriber	InnoVision Pomelo LP (“Investor”)
Conversion Price	S\$0.10 ²
Cash Coupon	Zero-coupon and shall not bear any interest whatsoever
Enlarged Share capital ownership of Bondholder (after full conversion of Bonds)	12.25%
Conversion Period	Bondholder has the right, at its option, to convert all its Bonds at any time up until the date falling five Business Days before the Final Maturity Date into Shares
Maturity Date	Three years + two years (at option of the Company)
Redemption Yield and Conditions	<p>Redemption Events as follows:</p> <ul style="list-style-type: none"> • A change in the current holder of the offices of Executive Chairman of the Board or Chief Executive Officer of the Board other than as a result of death, loss of physical or mental capacity (evidence of which shall require the written opinion of a licensed medical practitioner) or pursuant to legal or regulatory requirements; • “Delisting”, “Change of Control”, or “Merger”; • On Maturity Date, unless previously redeemed or converted. <p>Redemption Yield : 8% compounded annually</p>

Note:

- 1) Based on an agreed fixed exchange rate of US\$1 to S\$1.4284 in the Investment Agreement, being the closing exchange rate on the last business day prior to the signing of the Investment Agreement as quoted by Bloomberg L.P.
- 2) Initial Conversion Price subject to adjustments under the Investment Agreement

Salient Convertible Bond (“CB”) Terms (2/2)

Appointment of Nominee Director	<p>The Bondholder shall, at all times, have the right to appoint a nominee onto the board of the Company as a non-independent and non-executive director.</p> <p>Upon receiving a written request from the Bondholder and subject to the recommendation of the nominating committee of the Company, the approval of the Board, and in compliance with applicable requirements under the Constitution of the Company and the Listing Rules, the Company will procure the appointment of one such director nominated by the Bondholder onto the Board.</p>
Deputy Chairman	<p>Ms Pan Shuhong will be appointed as a non-independent and non-executive Director and Deputy Chairwoman of the Board within six months from the First Bonds Closing, and in the event that Ms Pan is ever re-designated as Executive Chairwoman of the Board, the Company will deliver to the Bondholder within one month from her re-designation, a moratorium undertaking not to sell or transfer 25% of her Shares for so long as the Bonds exist.</p> <p>For the avoidance of doubt, Ms Pan is not a nominee of the Investor, and her appointment has been specifically required by the Investor.</p>
Management Lock Up	<p>Each of Dr. Lin Yucheng (Executive Chairman), Mr. Ngoo Lin Fong (Executive Director / Finance Director), Mr. Li Li (Chief Executive Officer), Dr. Yan Huaiguo (Chief Technical Officer) and Dr. Guo Chenghong (Deputy Chief Technical Officer) executing a moratorium undertaking (in the case of Dr. Lin Yucheng) not to sell or transfer his Shares and (in the case of the others) not to sell or transfer more than 25% of each of their Shares for so long as the Bonds exist.</p>
Conversion Price Adjustment	<p>Standard anti-dilution adjustments including any consolidation, subdivision, or reclassification of Shares. If Company pays a cash dividend, the Investor will be entitled on an as-converted basis.</p>

Merits of Proposed Issue

Merits of CB (1/2)

Rationale of CB

Details

1. Increase Shareholders' Value with Business Expansion and Growth

- The Group has secured a public-private-partnership project with a total amount of RMB114.75 million in Bazhou city, Hebei Province, China for the design, construction and operation of a 120 tons/day sludge treatment plant and the recycling of the treated sludge into bricks for a concessionary period of 30 years.
- The Group has also acquired a 70% stake in the capital of Zhejiang Bofeng Environmental Technology Co., and will utilise the Group's own proprietary technology patents to provide oil sludge treatments to key customers, including the China National Offshore Oil Corporation.
- The Company intends to use majority of proceeds raised to secure more sludge treatment projects and AI water management projects.
- The sludge treatment projects are expected to generate one-off engineering, procurement and construction (EPC) income during the construction of the projects, and upon completion, generate recurring income for the Group over the lifespan of the projects, which is generally between 25 to 30 years.
- The AI water management projects are expected to generate recurring income for the Group during the contract period, which is generally between five to ten years. Assuming these projects are successful, they will be EPS accretive and value accretive to the Group.

Merits of CB (2/2)

Rationale of CB

Details

2. **Capital Raised at a Premium to Prevailing Market Price**

- The Conversion Price of S\$0.10 represents an attractive premium of 73.9%, 88.7%, 78.6%, 53.6% and 44.1% over the Volume Weighted Average Price (VWAP) for trades done in 7 Oct 2022¹, last 1M, 3M, 6M and 12M respectively.

3. **InnoVision Capital's Expertise, Network, Support and Value-Add to Group's Continued Development and Success**

- InnoVision Capital and its team are experienced, have proven track record, and possess deep knowledge in green economy space in Asia.
- They will add value to the Group in terms of operational management expertise and strategic network, as well as in corporate governance and best-in-class internal processes, to support the Group's continued development and success.

Note:

1) Full market day prior to the date on which the Investment Agreement was signed

About InnoVision Capital

InnoVision Capital has strong credentials and experienced management team



INNOVISION
C A P I T A L
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Our Mission

*Make the World a Better Place
through Our Investments*

Our Vision

*Establish a Top-Class Investment
Organization*

Our Value

*Customer Success, Radical Truth, Embrace
Changes, Team Work*

Background

- Founded in 2016, InnoVision Capital is broadly recognised as an institutionalised 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.
- InnoVision Capital has since accumulated deep domain knowledge, outstanding deal sourcing network, strong industry resources and long-term proven track record investing in the green energy / climate impact and ESG / sustainability sectors, and is well positioned to capitalise on the global push for green economy.

Performance

- InnoVision Capital's total asset under management approximates RMB16bn, including a co-general partner fund with Guizhou Railway Investment Group.
- InnoVision Capital has to date invested in, amongst others, companies such as Beike (NYSE: BEKE), JD Logistics (SEHK: 02618), China Securities Co., Ltd (SEHK: 06066, SHSE: 601066), WuXi AppTec (SHSE 603259, SEHK 02359), Lvkon, Eswin, Vtown, Channel Soft, Neurophth, CATUG, iCamuno and Butel.
- Since inception, InnoVision Capital has had a number of successful IPOs and exits and generated consistently top quartile returns for all the funds currently under management.

Key credentials of founder



Lane Fu Zhao
Founder & CEO
*Bachelor in Mathematics and
Physics from Tsinghua University
with First Class Honours*

- 19-year veteran in the private equity industry, with the last ten years prior to InnoVision Capital spent at KKR 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.
- Prior to founding InnoVision Capital, Mr. Zhao has led and played a significant role in numerous successful deals, such as United Envirotech Ltd, Far East Horizon Limited, China Modern Dairy Holdings Ltd, Ping An Insurance Company of China, Ltd., China Mengniu Dairy Company Limited, China International Capital Corporation, and Belle International Holdings Limited.
- 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 ("Dr Lin"), 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\$1.9bn and was renamed CITIC Envirotech Ltd, and was eventually privatised by the CITIC Group in 2020.

Appendices

Appendix A: Shareholdings

Shareholder	As at the date of this Presentation				Immediately upon issue of 214,260,000 Conversion Shares pursuant to full conversion of the Bonds			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% ¹	No. of Shares	% ¹	No. of Shares	% ²	No. of Shares	% ²
Directors								
Dr Lin Yucheng	414,779,500	27.02	-	-	414,779,500	23.71	-	-
Ngoo Lin Fong	18,717,000	1.22	-	-	18,717,000	1.07	-	-
Lim Kuan Meng	-	-	-	-	-	-	-	-
Mak Yen-Chen Andrew	-	-	-	-	-	-	-	-
Lee Suan Hiang ³	5,000,000	0.33	3,000,000	0.20	5,000,000	0.29	3,000,000	0.17
Substantial Shareholder (other than Directors)								
Pan Shuhong ⁴	165,000,000	10.75	3,199,000	0.21	165,000,000	9.43	3,199,000	0.18
InnoVision Pomelo LP	-	-	-	-	214,260,000	12.25	-	-

Notes:

- 1) Based on the issued share capital of the Company, comprising 1,534,878,360 Shares (excluding treasury shares and there being no subsidiary holdings) as at the date of this Presentation.
- 2) Based on the enlarged Share capital of the Company, comprising 1,749,138,360 Shares (excluding treasury shares and subsidiary holdings) after the full conversion of the Bonds.
- 3) Lee Suan Hiang is deemed to have an interest in 3,000,000 Shares held through his nominee, DBS Nominees Pte. Ltd.
- 4) Pan Shuhong is deemed to be interested in 3,199,000 Shares held through her nominee, OCBC Securities Private Limited.

Appendix B: Business Highlights (1/9)

Company Proprietary Technologies

KEY ENVIRONMENTAL CONCERNS



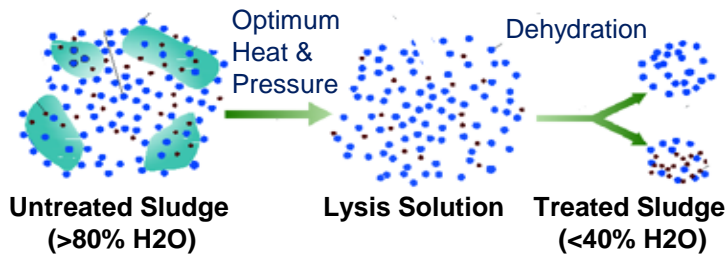
- Sludge is a by-product of wastewater treatment process
- Traditional sludge treatment-to-landfill disposal method leads to **secondary pollution**
- **Huge shortage of landfill sites** in China and globally
- In China, >60 million MT of sludge was produced in 2020*
- Rising wastewater discharge standards in China

Our Treatment-as-a-Service



Sludge Treatment Technologies

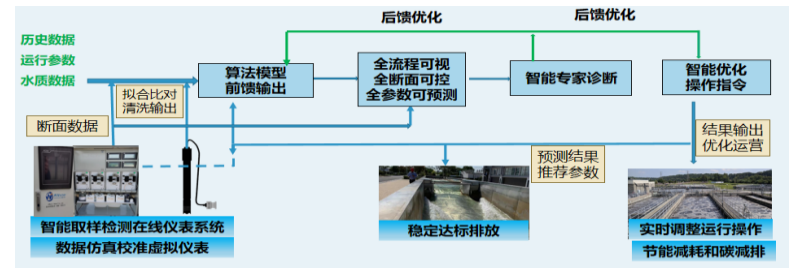
- 9 patented technologies to breakdown sludge treatment particles
- This reduces the total sludge treatment mass



- Treated Sludge can be incinerated to generate energy
- By-product of treated sludge treatment can be recycled to produce building materials etc.



AI Water Technologies



- Through the application of the technologies:
 - Average accuracy of water quality prediction will be over 90%
 - Energy consumption will be reduced by 10-35%, and drug consumption is reduced by 10-70%
 - Overall process visibility and precision management

Appendix B: Business Highlights (2/9)

Company Highlights

Transforming into a Green High-Tech Environmental Treatment-as-a-Service Provider



Proven Leadership & Execution Track Record in the Environmental Sector

- Under leadership of Dr. Lin Yucheng, a well-regarded authority on the environmental sector with >30 years of business experience
 - Founder and former-CEO of CITIC Envirotech (formerly known as United Envirotech Ltd) (“CEL”) for 13 years
 - United Envirotech Ltd transformed into a vertically-integrated wastewater solutions provider and was divested to CITIC at valuation of SGD1.9 billion
 - Served as adviser to Singapore government on the environment and water industry
 - Experience in completing environmental protection projects in China
-



Capabilities to solve the Pressing Sludge Problems in China

- In China, >60 million MT of sludge treatment was produced in 2020. China’s sludge treatment market has exceeded RMB50 billion since 2017 and is forecasted to increase at a rate of 10% p.a.*
 - Sludge treatment is expected to be a multi-billion nascent industry in China since 2017
 - Local governments recognise of the sludge treatment problems and willing to pay for sludge treatment treatment solutions
 - The Company have the proven and effective sludge treatment treatment technologies to solve sludge treatment-related problems
-

Appendix B: Business Highlights (3/9)

Company Core Business – Treatment-as-a-Service



Sludge Treatment

- Supply integrated sludge treatment solutions for municipal and industrial sludge treatment using our proprietary technologies
- Innovative sludge treatment, pre-treatment and efficient energy recovery system to achieve the objectives of zero-waste discharge and resource recovery

AI Water Treatment

- Artificial intelligence algorithm and machine learning applied in the actual operations during wastewater treatment to predict the water quality of key sections of the process
- Real-time closed-loop workflow will increase controllability and predictability for optimal results and ability for quick response to operation risks

Greentech Investments

- Equity investments in start-ups in technologies, high-tech products & services for environment protection

Appendix B: Board of Directors (4/9)

Board of Directors



Dr Lin Yucheng

Executive Chairman



Mr Ngoo Lin Fong

Executive Director



Mr Lim Kuan Meng

Lead Independent Non-Executive Director

-
- Dr Lin has founded and invested in a variety of environment-related businesses space for the last 30 year.
 - He is also a Environmental, Health and Safety (“EHS”) consultant whom is one of the pioneers in applying Membrane Bioreactor (MBR) technology for treating chemical and petrochemical wastewater in China.
 - He has advised the Singapore government on environment and water topics and was awarded received an award by the Chinese Central Party Academy in 2010.
 - Mr Ngoo is responsible for the strategic financial planning, investments, mergers & acquisitions and fund raising for the Group.
 - Mr Ngoo was previously the Chief Financial Officer (“CFO”) of CITIC Envirotech Ltd and prior to that, he was the Audit Manager at Deloitte & Touche LLP. He has more than 25 years of financial and accounting experience.
 - Mr Lim Kuan Meng is currently the Managing Partner of 2 practices where he manages a number of clients whose businesses include wastewater treatment.
 - Mr Lim was previously admitted as a Partner in Deloitte & Touche LLP where he overlooked some of the most reputable listed companies on the SGX.
 - Mr Lim is also an independent non-executive director of Triyards Holdings Ltd and have sat on the board of Falcon Energy Group.

Appendix B: Board of Directors (5/9)

Board of Directors



Mr Mak Yen-Chen Andrew

Independent Non-Executive Director

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- Mr Andrew Mak is a practising lawyer with more than 26 years of experience in legal practice with focuses on corporate finance transactions.
 - He is currently a consultant with Fortis Law Corporation and an independent director of Falcon Energy Group Limited and Far East Group Limited. He is also a member of the Advisory Board of Executives' Global Network (Singapore), as well as a board member of The Singapore Lyric Opera Limited.
 - Mr Mak was awarded the Public Service Medal (PBM) by the President of Singapore in the 2012 Singapore National Day honours list.



Mr Lee Suan Hiang

Independent Non-Executive Director

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- Mr Lee Suan Hiang had a varied career in both the public and private sectors, as Deputy Managing Director of the Economic Development Board and Chief Executive of SPRING Singapore.
 - He was also Chairman of PSB Corporation, President of EDB Society and Deputy Chairman of the International Federation of Arts Councils.
 - He has received a number of awards including the National Day Public Administration Gold Medal in 1998 and Public Service Medal in 2019, World Academy of Productivity Science Fellowship Award in 2000, World SME Association Award in 2001, Japan External Trade Organisation Award in 2002.

Appendix B: Management (6/9)

Management



Mr Li Li

CEO



Dr Yan Huaiguo

Chief Technology Officer



Dr Guo Chenghong

Deputy CTO

-
- Mr Li Li was appointed as Chief Executive Officer (“CEO”) on 1 Sep 2021. He is responsible for the strategic planning, operations, engineering solution and business development of the Group.
 - He was involved in various membrane-based industrial wastewater treatment projects in sludge treatment and hazardous waste treatment in the past 30 years and has received many prestigious awards for his contribution. For the past decade, he served as a Senior Deputy CEO of CITIC Envirotech Ltd.
 - Dr Yan Huaiguo is responsible for engineering design and implementation for projects, as well as technology applications.
 - Dr Yan with his expertise in sludge treatment treatment, membrane-based industrial wastewater treatment has won numerous national and provincial excellent design awards. Having led in major projects with outstanding results, Dr Yan gained media coverage in China for his achievements in upgrading and expanding wastewater treatment with innovative technology.
 - Dr Guo Chenghong joined the Company as Deputy Chief Technology Officer (“CTO”) in August 2020. He is currently responsible for technology development and application.
 - He is a specialist with more than 14 years of experience in sludge treatment, wastewater and solid waste treatment.
 - He has successively published numerous international patents on sludge treatment anaerobic treatment in China.

Appendix B: Management (7/9)

Management



Mr Lim Poh Yeow

CFO



Mr Shi Yingjun

Deputy General Manager

-
- Mr Lim Poh Yeow joined the Company in May 2008 as Group Chief Financial Officer (“CFO”) where he oversees the Group’s financial reporting, tax, regulatory compliance and corporate secretarial matters.
 - He has more than 17 years of experience in finance and accounting with prior experience working as an auditor in Ernst & Young LLP, an accountant at Arrow Asia Pac Ltd, a company in the semi-conductor industry.
 - He was a financial controller and CFO in Sinogas Holdings Pte Ltd and Xinde Food Holdings Pte Ltd respectively, assisting both companies in their listing applications.
- Mr Shi Yingjun provides technological support for projects, overseeing the implementation and overall operations.
 - With his vast knowledge and experience in municipal sludge treatment treatment and solid waste management, Mr Shi is also directly involved in developing sludge treatment CTH technology which can achieve significant energy saving, reduction in consumption and carbon emission in line with the global focus of carbon neutralization.

Appendix B: Management (8/9)

Management



Mr Guo Haijun

General Manager, Sales & Operations

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- Mr Guo Haijun oversees the Business Development and Marketing function. He has almost 20 years' experience in the environmental protection industry and his expertise is in wastewater treatment, municipal sludge treatment and hazardous waste management and advance membrane technology.
 - In his previous employment, Mr Guo has directed wastewater treatment projects for major China petrochemical companies and many domestic chemical parks in his previous engagement. As the Deputy General Manager, he successively led his team to clinch major projects for the company.

Appendix B: Appointment Highlight (9/9)

Ms Pan Shuhong will be appointed as a non-independent and non-executive Director and Deputy Chairwoman of the Board within 6 months from the First Bonds Closing



Pan Shuhong

- Ms Pan's field of expertise includes specialisation in electrochemistry and water treatment using advanced membrane technology.
- Ms Pan has prior extensive experience as a director or executive officer of an issuer listed on the SGX-ST, having presided over the board of directors of Mainboard-listed Memstar Technology Ltd as its executive chairwoman from 2007 to 2014 and as non-executive chairwoman thereafter until its delisting in 2020, as well as served as the Group Chief Operating Officer of CITIC Envirotech between 2014 and 2019.

Thank You
