SANLI ENVIRONMENTAL LIMITED

MEDIA RELEASE

For Immediate Release

Sanli secured Mechanical & Electrical Sub-contract for Tuas Water Reclamation Plant

- **Including the Mechanical & Electrical Sub-contract for Tuas Water Reclamation Plant, the Group has secured S$197.5 million worth of contracts in both the Engineering, Procurement, and Construction ("EPC") and Operations and Maintenance ("O&M") segments**
- **Order book stands at S$293.3 million**

SINGAPORE, 3 June 2020 – Sanli Environmental Limited ("**Sanli**" and together with its subsidiaries, the "**Group**"), one of Singapore's leading environmental engineering companies, is pleased to announce that its wholly-owned subsidiary, Sanli M&E Engineering Pte. Ltd., ("**Sanli M&E**"), has secured a sub-contract from CES_SDC Pte. Ltd., ("**CES_SDC**"), a wholly-owned subsidiary of Mainboard-listed Chip Eng Seng Corporation Ltd, for the Mechanical, Electrical and Instrumentation Control and Automation ("**MEICA**") portion of the Tuas Water Reclamation Plant Contract 4A – Biosolids and Digesters (the "**Sub-Contract**") awarded by the Public Utilities Board ("**PUB**") to CES_SDC, as part of the Deep Tunnel Sewerage System Phase 2 project.

The works under the main contract from PUB include the construction of biosolids treatment and biogas handling facilities and digesters at Tuas Water Reclamation Plant, the supply and installation of biosolids treatment and biogas handling equipment, and the testing and commissioning of the facilities. Under the Sub-Contract, Sanli M&E will carry out engineering, procurement and construction of MEICA works under the main contract.

The Sub-Contract works are expected to complete in 2025.

Including the Sub-Contract, the Group has secured S$197.5 million worth of contracts in both the EPC and O&M segments. These contracts include contracts from PUB and the National Environment Agency ("**NEA**"). For PUB, the Group's contracts include, among others, the overhaul and repair of alternators and motors at PUB installations, as well as the inspection and servicing of electrical installations in PUB. For NEA, the contract is for the supply and replacement of dust control system conveyors at Tuas South Incineration Plant.

With these contract wins, the Group's order book stands at S$293.3 million.

Mr Chua Teck Huat, Chief Executive Officer of Sanli said, "*We are happy to have secured this Sub-Contract as we believe it speaks to our experience and expertise in the field of environmental engineering. Moreover, Tuas Water Reclamation Plant Contract 4A is an essential step towards joining the operations of Tuas Water Reclamation Plant and NEA's Integrated Waste Management Facility to form the Tuas Nexus, Singapore's first initiative towards combining water and solid waste treatments. As a homegrown leader in the environmental engineering field, we are pleased to be a part of this project.*"

Mr Chua added, *"We are even more heartened to note that this Sub-Contract with CES_SDC is yet another addition to our solid book of orders. Over the past year, we have secured contracts with notable parties such as PUB and NEA. Bolstered by these indications of confidence, we will continue to leverage on our abilities and track record to pursue more contracts in the future."*

The Sub-Contract is expected to contribute positively to the net tangible assets and earnings per share of the Group for the financial year ending 31 March 2021.

None of the Directors and to the best knowledge of the Directors, none of the substantial shareholders or controlling shareholders of the Company has any direct or indirect interest in the Sub-Contract.

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About Sanli Environmental Limited

Sanli is an environmental engineering company in the field of water and waste management.

The Group's expertise is in the design, supply, delivery, installation, commissioning, maintenance, repair and overhaul of mechanical and electrical equipment as well as process, instrumentation and control systems in wastewater treatment plants, water reclamation plants, NEWater plants, waterworks, service reservoirs, pumping stations and incineration plants.

The Group has two main business segments: **Engineering, Procurement and Construction** ("**EPC**") and **Operations and Maintenance** ("**O&M**"). Under its EPC segment, Sanli provides services within the field of water and waste management, including process upgrading of existing water treatment plants, upgrading of pumping station capacities, replacement of aged equipment, and design and build of various treatment process systems. Through its O&M segment, the Group provides corrective and preventive maintenance services to ensure reliability and minimal disruptions to customers' operations.

For more information, please visit the company website at www.sanli.com.sg.

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This media release has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This media release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made, or reports contained in this media release.

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