SANLI ENVIRONMENTAL LIMITED
Company Registration No.: 201705316M

FORMATION OF JOINT VENTURE BY SANLI M&E ENGINEERING PTE. LTD. WITH HONG AN ENGINEERING PTE. LTD.

1. INTRODUCTION

The Board of Directors of Sanli Environmental Limited (the "**Company**") wishes to announce that Sanli M&E Engineering Pte. Ltd. ("**Sanli M&E**"), a wholly-owned subsidiary of the Company, has on 28 July 2020 entered into a joint venture agreement (the "**Joint Venture Agreement**") with Hong An Engineering Pte. Ltd. ("**Hong An**") (the "**Joint Venture**").

2. INFORMATION ON AND RATIONALE FOR THE JOINT VENTURE

Pursuant to the Joint Venture Agreement, the Joint Venture shall have the following contribution proportion (in percentage):

Sanli M&E	-	51%
Hong An	-	49%

The Joint Venture will be principally engaged in carrying out the execution of electrical and instrumentation, controls and automation works of the project:- Contract 4A – Biosolids and Digesters for the Tuas Water Reclamation Plant, and to pursue other similar business opportunities in Singapore and the ASEAN region.

3. INFORMATION ON JOINT VENTURE PARTY, HONG AN

Established in 2004, Hong An is an accredited company by the Building & Construction Authority that specializes in the provision of mechanical & electrical (M&E) supply and installation services to commercial, industrial and institutions and infrastructure for local and overseas projects.

Hong An is not related to the Group, and none of the Company's Directors or substantial shareholders and/or their respective associates has any interest (direct or indirect) in Hong An and its associates.

4. FUNDING AND FINANCIAL EFFECTS

The above transaction will be funded from the Group's internal resources and it is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors and substantial shareholders of the Company have any interest, direct or indirect in the Joint Venture, save their interests owing by way of their shareholdings and/or directorships, as the case may be, in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will update shareholders on material developments relating to the Joint Venture, if any.

By Order of the Board
Sanli Environmental Limited

Chua Teck Huat
Chief Executive Officer
28 July 2020

This announcement has been reviewed by the Company's sponsor ("Sponsor"), SAC Capital Private Limited. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement. The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.