SANLI ENVIRONMENTAL LIMITED

Company Registration No.: 201705316M
(Incorporated in the Republic of Singapore)

FURTHER UPDATES ON ADJUDICATION PROCEEDINGS

The Board of Directors of Sanli Environmental Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement released by the Company on 16 July 2020 titled "Commencement of Adjudication Proceedings". The Company would like to announce that Sanli M&E Engineering Pte Ltd ("**Sanli M&E**"), a wholly-owned subsidiary of the Group, has received the adjudication determination made by the Singapore Mediation Centre on 29 July 2020. The Adjudicator has decided in favour of Calgon Carbon (Asia) Pte Ltd ("**Calgon**").

As announced previously on 16 July 2020, the amount in dispute is approximately USD530,000 ("**Disputed Amount**"). The Adjudicator has determined that Sanli M&E to pay Calgon the Disputed Amount, the costs of the adjudication of S$21,052.25 ("**Costs of Adjudication**") and cost of contract works of USD1,216,727.06 ("**Cost of Contract Works**"). Sanli M&E will make the payments by 6 August 2020.

Prior to the adjudication, Sanli M&E has provided for the Cost of Contract Works in the Group's financial statements for the financial year ended 31 March 2020 ("**FY2020**"). The Disputed Amount and the Costs of Adjudication will be recorded in the current financial year ending 31 March 2021.

Payment of the Disputed Amount and Costs of Adjudication will not have any material impact on the financial statements for FY2020.

By Order of the Board
Sanli Environmental Limited

Chua Teck Huat
Chief Executive Officer
30 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.