**SANLI ENVIRONMENTAL LIMITED**
Company Registration No.: 201705316M

## INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY IN SINGAPORE - SANLI E&C PTE. LTD.

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 incorporated a wholly-owned subsidiary in Singapore, Sanli E&C Pte. Ltd. ("**Sanli E&C**"), with an issued and paid-up capital of S$2.00, comprising two (2) ordinary shares of S$1.00 each.

Sanli E&C will principally engage in the business of building construction, processing and industrialising plant engineering design and consultancy services.

The incorporation was 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 ending 31 March 2018.

None of the directors, controlling shareholders or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the transaction, save for their respective shareholdings and/or directorships, as the case may be, in the Company.

By Order of the Board
**Sanli Environmental Limited**

Sim Hock Heng
Executive Director / Chief Executive Officer

6 December 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

*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. Ong Hwee Li (Telephone number: +65 6532 3829), at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.*