

**SANLI ENVIRONMENTAL LIMITED**

Company Registration No.: 201705316M

RECEIPT OF LIQUIDATED DAMAGES LETTER

The Board of Directors ("Board") of Sanli Environmental Limited (the "Company") wishes to announce that its wholly-owned subsidiary, Sanli M&E Engineering Pte. Ltd. ("SMEPL"), has on 31 December 2025, received a letter from a major customer (the "Employer") in relation to the imposition of liquidated damages arising from delays in completion of certain phases of one of the Group's projects, which was secured during the COVID-19 period.

SMEPL has previously submitted applications for extension of time ("EOT") in respect of the aforesaid delays, which are currently pending determination by the Employer.

As at the date of this announcement, no liquidated damages have been agreed between the Employer and SMEPL. Pending the determination of the EOT applications, the Company is unable to ascertain the financial impact, if any, to the Group at this juncture.

The Board notes that the submission and assessment of EOT applications form part of the normal contractual administration process for projects of this nature.

The Company will make further announcement(s) as appropriate, when there are material developments in relation to the above matter.

The Board wishes to advise shareholders and potential investors to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers before trading or making any investment decision on the Company's securities.

By Order of the Board
Sanli Environmental Limited

Sim Hock Heng
Chief Executive Officer and Executive Director
5 January 2026

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 Singapore Exchange Securities Trading Limited ("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 Ms. Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.