

# **SANLI ENVIRONMENTAL LIMITED**

*(the "Company")*

*(Company Reg. No: 201705316M)*

*(Incorporated in the Republic of Singapore)*

## **MINUTES OF THE EXTRAORDINARY GENERAL MEETING**

PLACE : 28 Kian Teck Drive, Singapore 628845  
DATE : Wednesday, 20 December 2023  
TIME : 9.00 a.m.  
PRESENT - As per attendance lists  
IN-ATTENDANCE - As per attendance lists

### **CHAIRMAN OF THE MEETING**

Mr Kew Boon Kee presided as Chairman of the Extraordinary General Meeting ("EGM" or "Meeting").

### **QUORUM**

As a quorum was present, the Chairman declared the Meeting open at 9.00 a.m. and introduces the members of the Board and Management of the Company who were present, to the Shareholders.

### **NOTICE OF MEETING**

The Notice convening the Meeting having been in the hands of the Shareholders for the requisite period was, with the concurrence of the Meeting, taken as read.

### **POLL VOTING**

The Chairman informed the Meeting that the resolution put forward before the Meeting would be voted upon by way of a poll.

The Chairman further informed that Boardroom Corporate & Advisory Services Pte. Ltd. and Reliance 3P Advisory Pte. Ltd had been appointed as Polling Agent and Scrutineers respectively for the Meeting. The Meeting noted that electronic wireless handheld devices had been provided to the Shareholders and Proxies at the point of their registration.

A video presentation in relation to the procedures for the conduct of voting by poll for the resolution tabled at the Meeting using the handheld devices was shown.

The Chairman informed the Shareholders present at the Meeting that he had been appointed as proxy by certain Shareholders and he would be voting on their behalf, in accordance with their instructions stated in their respective proxy forms.

The Chairman informed that the Company had not received any questions from Shareholders prior to the Meeting.

**ORDINARY RESOLUTION:**

**PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE THE RENEWABLE ENERGY BUSINESS**

The following motion was duly proposed by Tan Thean Seang (Shareholder) and seconded by Wong Pik Phui (Shareholder):

“That:

- (a) approval be and is hereby given for the diversification of the Group’s core business to include the business comprising, but not limited to, the implementation of solar grids in commercial and residential buildings and the conversion of waste materials, including agricultural waste, food waste, general waste and other wastes, into bioenergy, as more particularly described in Section 2.2.1 of the Circular; and
- (b) any Director be and is hereby authorised to complete and do all such acts and things (including executing or amending such documents as may be required) as he may consider expedient or necessary to give effect to the above.”

The Chairman invited questions from the Meeting.

***All questions from Shareholder(s) and responses from the Directors and Management are set out in Appendix “A” annexed to these Minutes.***

After answering the questions from the Shareholder(s), the motion was put to vote by poll via electronic manner. 167,486,212 ordinary shares representing 99.94% voted ‘For’ the Resolution. The Chairman declared the Ordinary Resolution carried.

**CLOSE OF MEETING**

There being no other business to transact, the Chairman declared the EGM of the Company closed at 9.45 a.m. and thanked everyone present for their attendance.

Signed as a true record of the proceedings

Mr Kew Boon Kee  
Chairman of the Meeting

20 December 2023

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**Questions & Answers – Extraordinary General Meeting on 20 December 2023**

| Questions / Comments From Shareholders / Proxies / Corporate Representatives  | Company’s Reply   |
|---|---|
| <b>ORDINARY RESOLUTION<br/>           – PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE THE RENEWABLE ENERGY BUSINESS</b> |   |
| 1.  | Questions from Shareholder A  |
| (a)   | <p>Sanli’s primary business has always been in the water sector in Singapore, the Group was then expanded into chemical sector which Shareholders have not seen much updates or reports about the expanded chemical business.</p> <p>The Company is currently attempting to diversify into a sector which it is less experienced, i.e.: renewable energy business.</p> <p>The Shareholder asked for more insights about the plans and strategy for the renewable energy business that Sanli has as well as when the Shareholders could expect returns from these new businesses.</p> <p>Mr Sim Hock Heng (“SHH”): Sanli was listed in 2017, for the first 6 years, Management was cautious, concentrating on establishing the organisation’s framework and preparing for the next generation of leaders. Now, the Company is ready to move forward. The water business remains as the Group’s core; it generates good revenue, but the amount of profit the Company can make from it is limited. Diversifying or expanding Sanli’s business(es) aims to increase its value and ultimately benefit the Shareholders.</p> <p>Sanli ventures into new businesses not because there’s a trend, but because there’s a need.</p> <p>In 2020, the International Maritime Organisation had introduced a global limit on sulphur in ship fuel, reducing harmful sulphur oxide emissions from ships. To introduce our chemical business that can reduce sulphur and meet the sustainable solution, Mag Chemical Pte. Ltd. was set up in year 2022. Management had spent a year building the facility, and another year to validate and test the treatment process. It might take years for chemical businesses to grow, and it takes time for the Group to build track record. Management is optimistic that the chemical business would show results in 2 or 3-years’ time.</p> <p>The world comes together at Conference of the Parties (“COP”) to agree on how to deal with the climate crisis, including proposed reaching net-zero emissions by 2050, and keeping global temperature rise to 1.5 degrees Celsius. The world is committed to reach net-zero emissions and the need for renewable energy in Southeast Asia has grown over time. Sanli believes that solar power could help meeting this demand while lowering reliance on fossil fuels and now is a favorable moment to enter the solar industry. In the initial stage, the Group will focus on the energy market in Thailand.</p> <p>Regarding the question of expected returns from new businesses, SHH shared that in the past 2 years, Management completed the necessary steps to set up production and obtaining chemicals certification in the chemical business. The next stage, would be to reach out to prospective clients who could benefit from the</p> |

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|     |  | <p>Company's product. The renewable energy business is set for a 2024 launch, provided the proposed diversification has been approved by the shareholders in today's EGM. Management is optimistic that there would be a result seen in this business in the year 2024. Although there are always risks involved in collecting money from customers, Management would make every effort to conduct due diligence and evaluation on every customer.</p>   |
| (b) | <p>Since Sanli does not have the core experience in solar business, it could consider to participate as a sub-contractor for the local big players first before venture into overseas?</p> | <p>SHH: It is a good idea to begin as a subcontractor only if the subcontracted business is a specialized business, otherwise the profit margin would be very thin as the profit is normally taken up by the developer/main-contractor. The risk associated to the subcontract could be relatively high as there's always possibility that a project may prolonged/delayed due to any reason, this would cause the project in red. That is why Sanli does not want to venture into renewable energy business as a subcontractor.</p> <p>Sanli took some time to look for partners instead. The partner Sanli would be working with, is a local EPC contractor who does installation of solar panel for 3-4 years. Despite having the necessary experience and skill set, the local EPC contractor lacks the funding to secure works/investment and that is where Sanli comes in.</p> |
| (c) | <p>There are a lot of demand of water. Why doesn't Sanli take its expertise and move its expansion to overseas for water business instead?</p>   | <p>SHH: In contrast to the oil and gas industry, where prices can be relatively high, water will not bring us the best profit.</p> <p>We are not bringing a stop to our water business, but we will use our expertise to expand overseas if the right opportunity arises.</p>  |
| (d) | <p>If the project fails, there will be a need to impair. What would be the costs and what would be the return of investment for the solar business?</p>                                    | <p>Mr Michael Law: The Company has allocated and plans to invest approximately S\$600,000 in the first phase of its entry into the solar industry. Depending on the success of the Group's initial stage of entry into this industry, it may invest an additional sum of up to approximately S\$11.5 million in the next four years.</p> <p>The returns based on the market norm are estimated at 15% to 20%.</p>  |