



SANLI ENVIRONMENTAL LIMITED

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

PROPOSED PLACEMENT OF UP TO 38,492,404 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.260 PER PLACEMENT SHARE

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Sanli Environmental Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 24 November 2025 entered into a placement agreement (the "**Placement Agreement**") with SAC Capital Private Limited (the "**Placement Agent**"). The Placement Agent has appointed Maybank Securities Pte. Ltd. as sub-placement agent (the "**Sub-Placement Agent**") in relation to the Proposed Placement (as defined below).
- 1.2 Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 38,492,404 fully paid-up ordinary shares in the capital of the Company (the "**Shares**") (the "**Placement Shares**") at an issue price of S\$0.260 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of up to S\$10,008,025 (the "**Proposed Placement**").
- 1.3 The Proposed Placement is not underwritten and will be undertaken by way of an exempt offering in Singapore in accordance with Section 272B (private placement), Section 274 (offer made to institutional investors) and Section 275 (offer made to accredited investors and certain other persons) of the Securities and Futures Act 2001 of Singapore (as amended from time to time) (the "**SFA**"). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. THE PROPOSED PLACEMENT

2.1 Placement Price

The Placement Price was arrived at pursuant to discussions with the Placement Agent, taking into account, among others, the prevailing market price of the Shares and represents a discount of approximately 9.34% to the volume weighted average price of S\$0.2868 per Share for trades done on the Shares on the SGX-ST for the full market day on 21 November 2025, being the last full market day prior to the trading halt called by the Company and the execution of the Placement Agreement.

2.2 Placement Shares

- (a) The Placement Shares represent approximately 12.75% of the existing issued and paid-up share capital of the Company comprising 301,907,596 Shares as at the date of this announcement (excluding 83,550 treasury shares) and will represent approximately 11.31%

of the enlarged issued and paid-up share capital of the Company (excluding 83,550 treasury shares) of 340,400,000 Shares.

- (b) The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances, and shall rank *pari passu* with the existing Shares and carry all rights similar to the existing Shares at the time of the issue, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the allotment and issue of the Placement Shares.
- (c) The Placement Shares will not be placed to any person who is a director or a substantial shareholder of the Company as at the date of this announcement, an interested person as defined in Chapter 9 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the SGX-ST or any other person in the categories set out in Rule 812(1) of the Catalist Rules, unless such subscription is otherwise agreed to by the SGX-ST.
- (d) The Proposed Placement will not result in any transfer of controlling interest in the Company.

2.3 Additional Listing Application

The Company will be applying to the SGX-ST (through its sponsor) for the dealing in, listing of and quotation for the Placement Shares on the Catalist board of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

3. AUTHORITY TO ISSUE THE PLACEMENT SHARES

- 3.1 The Placement Shares will be allotted and issued pursuant to the general share issue mandate (the “**Share Issue Mandate**”) granted by the shareholders of the Company (the “**Shareholders**”) by an ordinary resolution passed at the annual general meeting of the Company held on 31 July 2025 (“**FY2025 AGM**”).
- 3.2 The Share Issue Mandate authorises the Directors to, among other things, issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), and upon such terms and conditions, and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that, among other things, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to existing Shareholders does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of FY2025 AGM, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or sub-division of Shares.
- 3.3 As at the date of the FY2025 AGM, the Company had 298,400,446 Shares in issue (excluding treasury shares and subsidiary holdings). As no new Shares were issued under the Share Issue Mandate since the date the Share Issue Mandate was passed at the FY2025 AGM, the maximum number of Shares that may be issued other than on a *pro rata* basis pursuant to the Share Issue Mandate is 149,200,223 Shares. Accordingly, the proposed allotment and issue of the Placement Shares falls within the limit of the Share Issue Mandate.

4. SALIENT TERMS OF THE PLACEMENT AGREEMENT

4.1 Placement Commission

In consideration of the agreement of the Placement Agent procuring end-placees on a best endeavours basis for the Placement Shares, the Company shall pay to the Placement Agent or the Sub-Placement Agent, a placement commission of 4% of the Placement Price for each Placement Share for which the Placement Agent or Sub-Placement Agent has procured subscribers as at the Completion Date (as defined in paragraph 4.2 below) (each, a **"Placed Share"**) (and if applicable, goods and services tax thereon), according to the relevant number of Placed Shares issued through the Placement Agent or Sub-Placement Agent (as the case may be) pursuant to the Proposed Placement. For the avoidance of doubt, the Company has no obligation to pay any commission to the Placement Agent for any Placement Shares sold through the Sub-Placement Agent.

4.2 Placement Completion

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement (**"Completion"**) shall take place on the date falling three (3) business days after all the Conditions (as defined in paragraph 4.3 below) (other than any condition which is to be satisfied at Completion) have been satisfied or waived (as the case may be) (the **"Completion Date"**), but in any event being a date falling eight (8) weeks after the date of the Placement Agreement, being 24 November 2025 or such other date as the Company and the Placement Agent may mutually agree (the **"Cut-Off Date"**).

Against delivery of the Placement Shares, the Placement Agent shall make payment to, or procure that payment is made to, the Company of the aggregate Placement Price for all the Placed Shares, on the Completion Date.

4.3 Conditions Precedent

Completion pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions (the **"Conditions"**):

- (a) in-principle approval from the SGX-ST for the listing and quotation of the Placement Shares on the Catalist (the **"Listing Approval"**) and not having withdrawn or revoked and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Catalist are required to be fulfilled on or before Completion Date, they are so fulfilled to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (b) as of the Completion Date, the trading of the Placement Shares on the Catalist not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the Shares not having been delisted from the Catalist;
- (c) the exemption under any of Section 272B, Section 274 and Section 275 of the SFA being applicable to the Proposed Placement under the Placement Agreement;
- (d) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placement Agent;

- (e) the delivery to the Placement Agent on Completion Date, of a completion certificate, substantially in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officers;
- (f) the Placement Shares being issued in reliance of the Share Issue Mandate and there being no further Shareholders' approval required for and in connection with the Proposed Placement;
- (g) there not having occurred, in the reasonable opinion of the Placement Agent, any circumstance, event or situation which is or are likely to have a Material Adverse Effect, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and
- (h) the representations, warranties and undertakings given by the Company in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Placement Agreement to be performed on or before the Completion Date.

For the purposes of this paragraph 4.3, “**Material Adverse Effect**” means any material adverse effect on (i) the financial condition, prospects, earnings, business, properties, assets or results of operations of the Group taken as a whole whether or not arising from transactions in the ordinary course of business or (ii) the ability of the Company to perform in any material respect its obligations under the Placement Agreement.

The Placement Agent may, and upon such terms as it thinks fit, waive compliance with any of the conditions contained in the Placement Agreement and any condition so waived shall be deemed to have been satisfied provided always that any such waiver as aforesaid shall be without prejudice to its right to elect to treat any further or other breach, failure or event as releasing and discharging it from its obligations under the Placement Agreement.

If any of the conditions contained in the Placement Agreement has not been satisfied on or before the Cut-Off Date, the Placement Agreement shall terminate and shall be of no further effect and no party to the Placement Agreement shall be under any liability to the other in respect of the Placement Agreement for the relevant Placement Shares save that the Company shall, if applicable, remain liable for indemnities and the reimbursement of costs and expenses reasonably incurred by the Placement Agent in respect of the placement of the Placement Shares up to the date of such termination under the Placement Agreement.

5. RATIONALE OF THE PROPOSED PLACEMENT AND USE OF PROCEEDS

5.1 Rationale

The Company intends to use the net proceeds from the Proposed Placement primarily for general working capital purposes, including funding the execution of ongoing Engineering, Procurement and Construction (“EPC”) projects. A portion of the proceeds may also be used to reduce existing borrowings, thereby strengthening the Company’s balance sheet and improving its capital structure. The Proposed Placement is expected to enhance the Group’s financial flexibility and broaden the Company’s shareholder base, which may in turn improve the trading liquidity of its shares.

5.2 Use of Proceeds

The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$418,821, is up to approximately S\$ 9,589,204 (the “**Net Proceeds**”).

The Company intends to apply 100% of such Net Proceeds for working capital purposes.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report(s). Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcement(s) and annual report(s). Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

6. DIRECTOR'S CONFIRMATION

In accordance with Rule 810(1)(c) of the Catalist Rules, the Directors are of the opinion that, after taking into consideration:

- (a) the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

7.1 The *pro forma* financial effects of the Proposed Placement on the Company's share capital and the Group's net tangible assets (“**NTA**”) per Share and earnings per Share (“**EPS**”) as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the completion of the Proposed Placement.

7.2 The *pro forma* financial effects have been prepared based on the audited financial results of the Group for the financial year ended 31 March 2025, on the following bases and assumptions:

- (a) The Placement Shares are fully placed out;
- (b) the Proposed Placement had been completed on 31 March 2025 for the purpose of illustrating the financial effects on the NTA;
- (c) the Proposed Placement had been completed on 1 April 2024 for the purpose of illustrating the financial effects on the EPS;

- (d) the share capital of the Company as at the date of this announcement comprising 301,907,596 Shares (excluding treasury shares); and
- (e) the fees and expenses incurred in connection with the Proposed Placement amounting to S\$418,821.

7.3 Share Capital

	Number of Shares (excluding treasury shares)
Before the Proposed Placement	301,907,596
After the Proposed Placement	340,400,000

7.4 NTA per Share

Assuming that the Proposed Placement was completed on 31 March 2025, the *pro forma* financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Placement	After the Proposed Placement
NTA ⁽¹⁾ attributable to owners of the Company (S\$'000)	32,713	42,302
Number of issued ordinary shares in the capital of the Company	301,907,596	340,400,000
NTA per Share (Singapore cents)	10.84	12.43

Note:

- ⁽¹⁾ NTA means total assets less the sum of total liabilities and intangible assets (net of non-controlling interests)

7.5 EPS

Assuming that the Proposed Placement was completed on 1 April 2024, the *pro forma* financial effects on the Group's EPS would be as follows:

	Before the Proposed Placement	After the Proposed Placement
Net profit attributable to owners of the Company (S\$'000)	1,541	1,122
Number of issued ordinary shares in the capital of the Company	301,907,596	340,400,000
EPS (Singapore cents)	0.51	0.33

8. CONFIRMATIONS BY THE PLACEMENT AGENT

The Placement Agent has confirmed, amongst other things, that:

- (a) the commission payable by the Company to the Placement Agent for the Proposed Placement will not be shared with any person to whom the Placement Shares are placed;
- (b) it has obtained or will obtain (as the case may be) confirmations from the end-placees of the Placement Shares that they are not acting in concert (as defined under the Singapore Code on Take-overs and Mergers) with any other party in the acquisition of Shares in the Company;
- (c) the Placement Shares will not be placed to any person who is a director or a substantial Shareholders of the Company, an interested person as defined in Chapter 9 of the Catalist Rules or any other person in the categories set out in Rule 812(1) of the Catalist Rules;
- (d) it has obtained or will obtain (as the case may be) representations from the end-placees that each of them and their directors and substantial shareholders (to the extent applicable) do not have any relationships or connections (including any business relationship) with the Company and its directors and substantial shareholders;
- (e) the Proposed Placement will not result in the transfer of a controlling interest of the Company as defined in Rule 803 of the Catalist Rules;
- (f) there are no share borrowing arrangements entered into to facilitate the Proposed Placement; and
- (g) in the event the number of Placement Shares placed to the end-placees results in any end-placee becoming a substantial shareholder, the Placement Agent will inform the Company so that the Company can make the necessary announcement(s) in a timely manner.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or substantial Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Placement.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 22 Chin Bee Drive, Singapore 619870.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. FURTHER ANNOUNCEMENTS

The Company will continue to keep Shareholders informed by making the appropriate announcements on the Proposed Placement as and when there are material developments.

13. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Placement remains subject to, amongst others, the fulfilment of the conditions precedent under the Placement Agreement. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

By Order of the Board
Sanli Environmental Limited

Sim Hock Heng
Chief Executive Officer and Executive Director
24 November 2025

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