



SANLI ENVIRONMENTAL LIMITED

Company Registration No.: 201705316M

ENTRY INTO JOINT VENTURE AGREEMENT BETWEEN SANLI M&E ENGINEERING PTE. LTD. AND SHANGHAI TUNNEL ENGINEERING CO (SINGAPORE) PTE. LTD.

1. INTRODUCTION

The Board of Directors of Sanli Environmental Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Sanli M&E Engineering Pte. Ltd. (“**Sanli M&E**”), a wholly-owned subsidiary of the Company, has entered into a joint venture agreement dated 5 February 2026 (the “**Joint Venture Agreement**”) with Shanghai Tunnel Engineering Co (Singapore) Pte Ltd (“**STECS**”) (each a “**Party**”, and collectively, the “**Parties**”) to collaborate as an unincorporated joint venture registered under the name “SANLI–STECS CNF3 JOINT VENTURE” (the “**Joint Venture**”). The Parties have agreed that the Joint Venture shall principally undertake, as a subcontractor, the works in connection with the development of Changi NEWater Factory 3 project awarded by PUB, Singapore’s National Water Agency, to Sanli M&E, as announced by the Company on 10 November 2025.

2. SALIENT TERMS OF JOINT VENTURE AGREEMENT

2.1 Pursuant to the Joint Venture Agreement, the Parties shall have the following participating interests (in percentage):

Sanli M&E	-	50%
STECS	-	50%

For the avoidance of doubt, the Joint Venture is structured as an unincorporated joint venture and does not involve any initial cash capital contribution by the respective Parties.

2.2 Under the terms of the Joint Venture Agreement, each Party shall enter into a sub-subcontract arrangement with the Joint Venture, wherein:

- (a) Sanli M&E shall be responsible and liable for the construction works of mechanical, electrical, instrumentation, control and automation works, structural steelworks and building management system; and
- (b) STECS shall be responsible and liable for the civil, structural, architectural, structural steelworks and external works, including building services works (but excluding building management system).

- 2.3 The Joint Venture shall establish a management committee, consisting of four members with each Party appointing two members. The member appointed by Sanli M&E, being the lead party, shall be the chairman of the management committee.
- 2.4 The Joint Venture Agreement sets out certain customary matters which require the unanimous approval of all members of the management committee, including, among others, matter related to the performance of the subcontract works, approval of general financial policy and the amendment of the Joint Venture Agreement.

3. INFORMATION ON JOINT VENTURE PARTNER, STECS

Save as otherwise indicated, the information below relating to STECS was based on information provided by STECS. In respect of such information, the Company has not independently verified the accuracy or correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

Established in 1996, STECS is a leading civil engineering and construction firm, registered with the Building & Construction Authority of Singapore. STECS specialises in rail transit and underground space construction, with experience in undertaking large-scale and complex infrastructure projects.

STECS is not related to the Group, and none of the Directors or substantial shareholders of the Company, nor their respective associates, has any interest, direct or indirect, in STECS or its associates.

4. FINANCIAL EFFECTS

The entry into the Joint Venture Agreement 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 2026.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors and substantial shareholders of the Company have any interest, direct or indirect in the Joint Venture, save their interests owing by way of their shareholdings and/or directorships, as the case may be, in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will update shareholders on material developments relating to the Joint Venture, if any.

By Order of the Board
Sanli Environmental Limited

Sim Hock Heng
Chief Executive Officer and Executive Director
5 February 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. Lim Qi Fang (Tel: (65) 6232 3221) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.