



SANLI ENVIRONMENTAL LIMITED

Company Registration No.: 201705316M

Media Release

Sanli Posts Net Profit Growth of 31.3% in FY2026; Continual Dividend Track Record with Proposed Final Dividend of 0.189 Singapore Cents per Share

- Overall gross profit margin improved from 9.3% in FY2025 to 11.1% in FY2026 despite a lower revenue in FY2026 caused by change in progression milestones of certain EPC projects which resulted in extended project execution timelines and deferral of revenue recognition. Gross profit margin improvement is mainly due to improved margins in the EPC segment, which continued to be the Group's largest revenue contributor.
- With an order book of S\$748.1 million as at 31 March 2026, the Group's key priority is the timely execution and delivery of projects for its private clients and public sector customers (such as PUB and LTA).
- Under its Emerging Business Segments, the Group's chemical manufacturing posted sales of more than 1,000 tonnes of magnesium hydroxide slurry in FY2026, as compared to less than 200 tonnes in FY2025.
- Strengthened balance sheet with net asset value per share of 18.27 Singapore cents as at 31 March 2026.
- Reflecting its commitment to rewarding shareholders, the Group announced a proposed final dividend of 0.189 Singapore cents per share, which would constitute approximately 30% of net profit attributable to owners of the Company in FY2026.

Financial year ended 31 March ("FY")

(S\$ million)	FY2025	FY2026	Change (%)
Revenue	157.6	139.6	(11.4)
Gross Profit	14.7	15.5	+5.2
Net Profit	1.7	2.3	+31.3
EBITDA	7.1	7.9	+10.8

SINGAPORE, 28 May 2026 – SGX-Catalist listed Sanli Environmental Limited (“**Sanli**”, the “**Company**”, “三立环境有限公司” and together with its subsidiaries, the “**Group**”), has announced its results for the full year ended 31 March 2026 (“**FY2026**”).

Leveraging on its established track record as an environmental engineering group, Sanli has embarked on a diversification strategy to develop complementary business segments beyond its core services, all of which are aimed at developing multiple revenue streams, enhancing business resiliency, and harnessing new opportunities within the environmental industry in the region.

As of FY2026, the Group is organised into the following three operating segments:

1. Engineering, Procurement, and Construction (“**EPC**”) – Provision of engineering, procurement, and construction services for water and waste management, air pollution control, and industrial systems.
2. Operations and Maintenance (“**O&M**”) – Provision of operations and maintenance services for water and waste management systems, ensuring optimal performance and regulatory compliance.
3. Emerging Business Segments (“**EBS**”) – This segment encompasses a range of growth-focused businesses, which comprises the following:
 - Chemical Manufacturing (“**CHM**”) - the production and supply of magnesium hydroxide slurry for environmental applications such as wastewater treatment, flue gas desulphurisation, and other industrial processes.
 - Industrial & Gasification (“**IND**”) - the provision of integrated environmental engineering solutions for industrial facilities, covering water and wastewater treatment, air pollution control, and solid waste management.
 - Renewable Energy Solutions (“**RES**”) - the development, ownership, and operation of solar power assets, including the delivery of EPC services for solar energy systems.

Key Highlights in FY2026

Commenting on the FY2026 financial results, Mr. Sim Hock Heng (“沈福兴”), Chief Executive Officer and Executive Director of Sanli, said: “Our EPC projects often involve varying technical complexities and coordination with multiple stakeholders, which may occasionally lead to extended execution timelines and deferred revenue recognition, as experienced in FY2026.

Nonetheless, with a healthy order book of S\$748.1 million, we remain focused on the timely execution and delivery of our projects, while continuing to strengthen our business strategy to improve operating margins across our business activities.

With a diversified business model within the environmental market, we aim to tap more opportunities in the private sector and further strengthen our position across key growth segments in the industry ahead.”

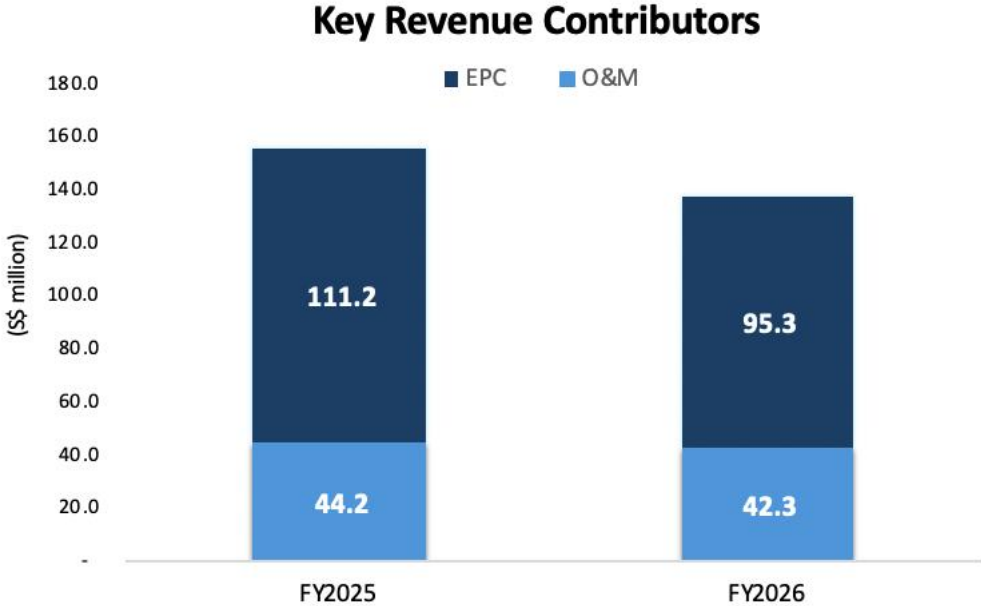
Lower revenue in FY2026 primarily reflects extended EPC project timelines and deferred revenue recognition: The Group posted revenue of S\$139.6 million in FY2026 (FY2025: S\$157.6 million), of which its EPC business segment continued to be the main revenue contributor with S\$95.3 million, as compared to S\$111.2 million in FY2025.

Leveraging on its engineering capabilities and track record in this niche industry, the Group’s O&M business segment provides a stable and predictable revenue stream within a defensive industry. In FY2026, this segment declined marginally by S\$1.9 million or 4.4% to S\$42.3 million in FY2026, as compared to S\$44.3 million in FY2025. The decrease was primarily attributable to a lower volume of O&M orders secured during FY2026.

Under its EBS, revenue dipped to S\$2.0 million in FY2026 from S\$2.2 million in FY2025 due to reduced business activities in IND following the completion of a major contract in the prior year that was partly offset by strong growth in CHM.

Since achieving a key milestone in FY2025 by completing its first magnesium hydroxide slurry top-up for a major vessel, CHM has growth significantly with sales of more than 1,000 tonnes of magnesium hydroxide slurry in FY2026, as compared to less than 200 tonnes in FY2025. Building on this momentum, the Group is proactively expanding its business presence in the marine industry while exploring new applications for its magnesium hydroxide slurry, with the aim of unlocking additional revenue streams across new markets.

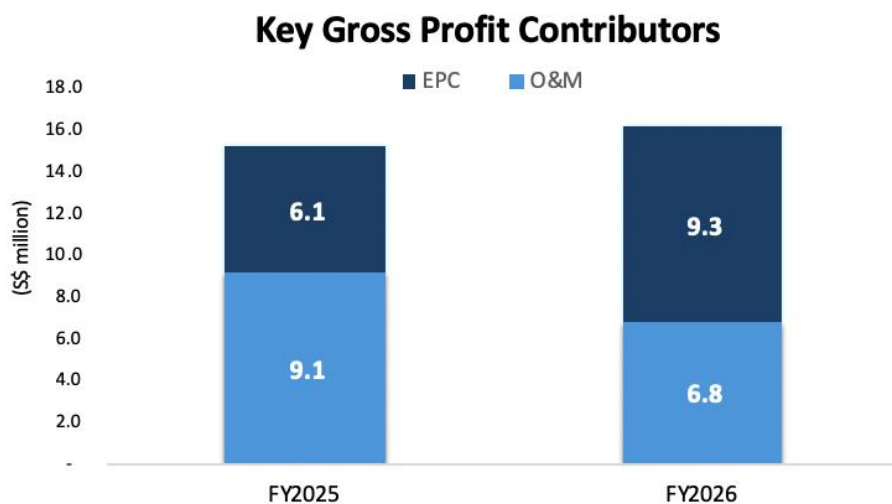
For RES, the Group completed 2 solar projects in FY2026 and in total, the Group has 3 completed solar projects with exclusive Power Purchase Agreement (PPA) rights to sell the electricity output for a substantial period of at least 15 years. RES is currently constructing 1 additional solar project in Thailand and upon completion, it will add on to the Group’s recurring revenue stream within the renewable energy sector.



Increased gross profit in FY2026 that was driven mainly by improved gross profit contribution from EPC segment: While there was lower revenue recognised in FY2026, the Group’s gross profit increased by S\$0.8 million or 5.2% to S\$15.5 million in FY2026, as compared to S\$14.7 million in FY2025.

The increase was mainly attributable to improved gross profit contribution from the EPC segment, arising from cost efficiencies and savings in raw material costs. However, gross profit contribution from its O&M segment declined in FY2026 that mainly attributable to higher labour costs and increases in raw material prices.

Overall gross profit margin improved from 9.3% in FY2025 to 11.1% in FY2026, mainly due to improved margins in the EPC segment, which remain as the Group's largest revenue contributor.



Increased other income that was partially offset by higher administrative and financing expenses in FY2026: The Group's other income increased significantly by S\$1.6 million to S\$3.1 million in FY2026, as compared to S\$1.5 million in FY2025. The increase was primarily due to gains arising from the disposal of the property at 28 Kian Teck Drive during the financial year.

The Group's administrative costs expenses increased by S\$1.4 million or 14.6% to S\$10.8 million in FY2026, as compared to S\$9.4 million in FY2025. The increase was mainly attributable to higher staff-related costs (including salaries), increased property taxes, and higher professional fees incurred in connection with business diversification initiatives during the financial year.

Finance costs increased by S\$0.4 million or 15.9% to S\$2.7 million in FY2026, as compared to S\$2.3 million in FY2025. This increment was mainly driven by interest expenses on the Group's commercial papers as well as higher facility fees incurred during FY2026.

Delivered an EBITDA of S\$7.9 million and net profit of S\$2.3 million in FY2026, underpinned by a continual dividend track record: Reflecting its commitment to rewarding shareholders, the Group announced a proposed dividend of 0.189 Singapore cents per share, which would constitute approximately 30% of net profit attributable to owners of the Company in FY2026 (as compared to the dividend payout ratio of 30.0% in FY2025).

Healthy revenue visibility ahead with order book of S\$748.1 million as at 31 March 2026: In FY2026, the Group secured approximately S\$590 million of new EPC contracts that boosted its order book to a record level, and as at 31 March 2026, the Group's order book stood at S\$748.1 million.

The Group's order book comprised majority of ongoing EPC water and wastewater treatment infrastructure projects, which form the core of the Group's municipal business in Singapore.

Total assets and total equity increased to S\$154.4 million and S\$62.7 million respectively as at 31 March 2026: The Group's total assets as at 31 March 2026 comprised current assets of S\$115.7 million and non-current assets of S\$38.6 million.

Major components of current assets were contract assets of S\$90.8 million, trade and other receivables of S\$16.2 million and cash and cash balances of S\$8.8 million. Major component of non-current assets was property, plant and equipment of S\$35.5 million.

Notably, the increased in contract assets reflects progress made on several large government infrastructure projects towards the end of FY2026, with certain projects reaching key milestones close to the financial year-end. Billings in respect of these milestones are expected to be recognised in the subsequent financial year.

The Group's total liabilities as at 31 March 2026 comprised current liabilities of S\$73.8 million and non-current liabilities of S\$17.9 million. Major components of current liabilities were borrowings of S\$37.7 million and trade and other payables of S\$33.5 million. Major component of non-current liabilities was borrowings of S\$11.8 million.

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This media release is to be read in conjunction with the Company's FY2026 financial results announcement released on 28 May 2026, which can be downloaded via www.sgx.com.

About Sanli Environmental Limited

Established in 2006 and listed in 2017 on the SGX-Catalist, Sanli Environmental Limited is an environmental engineering group that specialises in the field of water and waste management. Sanli's expertise is in the design, supply, delivery, installation, commissioning, maintenance, repair and overhaul of mechanical and electrical equipment as well as process, instrumentation and control systems in wastewater treatment plants, water reclamation plants, NEWater plants, waterworks, service reservoirs, pumping stations and incineration plants.

Backed by its strong engineering capabilities, Sanli has the ability to integrate mechanical, electrical and process engineering expertise to provide customised, cost- and time-efficient integrated engineering solutions and services to its customers.

Leveraging on its established track record, Sanli has embarked on a diversification strategy to develop a range of growth-focused businesses, which are aimed at developing multiple revenue streams, enhancing business resiliency, and harnessing new opportunities within the environmental industry in the region.

For more information, please visit <https://www.sanli.com.sg/>

Issued for and on behalf of Sanli Environmental Limited



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