# Evolving with Purpose
# **Advancing with Strength**

ANNUAL REPORT 2025

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## Sustainability Report



## Corporate Governance Report



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## Evolving with Purpose Advancing with Strength

This cover visualises Sanli's purposeful evolution through diversification and its strong forward momentum. The abstract globe formed by dynamic, interlocking shapes symbolises growth and transformation, while the use of nature and water imagery reflects Sanli's commitment to sustainability and our roots in the environmental sector. The upward swirling motion suggests progress, resilience, and optimism for a stronger future. Together, the design elements convey Sanli's ambitions to advance with clarity, purpose, and strength.

## Our Vision

To be a leading environmental solutions company capable of meeting the needs of tomorrow.

## Our Mission

To provide reliable and cost-effective total solutions for water and waste management, driven by innovation and executional excellence.

## Our Core Values

**SAFETY FIRST**
We believe that no job or task is so important that we can risk our colleagues' and stakeholders' lives for.

**BOLDNESS**
We dare to step into the unknown to create a better environment for our society.

**BE DIFFERENT**
We think out of the box when providing solutions for our clients.

**INTEGRITY**
We believe that honesty is the best policy to ensure a healthy and long-term relationship between our partners and us.

**UNITY**
We strive together as one family to achieve success.


This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Ms Lee Khai Yinn (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

# Corporate **Profile**

We are an environmental engineering company in the field of water and waste management. Our 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. The Group's operation and markets served are primarily in Singapore with our headquarter located at 22 Chin Bee Drive, Singapore 619870.

Our business is divided into three main business segments:

## Engineering, Procurement and Construction ("EPC")

- We provide engineering, procurement and construction services within the field of water and waste management, air pollution control, and industrial systems.
- Our services include process upgrading of existing water treatment plants, upgrading of pumping station capacities, replacement of aged mechanical and electrical equipment, and design and build of various treatment process systems.

## Operations and Maintenance ("O&M")

- We provide corrective and preventive maintenance services to ensure reliability and minimal disruptions to customers' operations.

## Emerging Business Segments ("EBS")

This segment encompasses a range of growth-focused businesses, which comprises the following:

### CHEMICAL MANUFACTURING

Production and supply of magnesium hydroxide slurry for environmental applications such as wastewater treatment, flue gas desulphurisation, and other industrial processes.

### INDUSTRIAL & GASIFICATION

Provision of integrated environmental engineering solutions for industrial facilities, covering water and wastewater treatment, air pollution control, and solid waste management.

### RENEWABLE ENERGY SOLUTIONS

Development, ownership and operation of solar power assets, including the delivery of EPC services for solar energy systems.

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

**WATER MANAGEMENT**
Engineering solutions and services for the treatment of raw water and used water.

**WASTE MANAGEMENT**
Engineering solutions and services for the treatment of refuse in incineration plants.

# Chairman's **Message**

"To our shareholders, thank you for your enduring confidence in our leadership and vision as we advance towards our ambition to become a world-class environmental engineering company."

**Mr Ng Lip Chi, Lawrence**
NON-EXECUTIVE CHAIRMAN AND INDEPENDENT DIRECTOR

**DEAR SHAREHOLDERS,**

On behalf of the Board, I am pleased to present the annual report of Sanli Environmental Limited ("Sanli", the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 March 2025 ("FY2025"). FY2025 marks an inflection year for Sanli's diversification strategy within Asia's environmental industry.

Leveraging on our established track record as an environmental engineering group, Sanli has been developing complementary business segments beyond our core services, all of which are aimed at generating multiple revenue streams, enhancing business resiliency, and harnessing new opportunities.

## Revenue growth of 20.7% was driven primarily by robust performance of the Group's O&M business segment

For FY2025, the Group posted revenue growth of 20.7% to S$157.6 million in FY2025 as compared to S$130.6 million in the previous financial year ended 31 March 2024 ("FY2024").

Our Engineering, Procurement, and Construction ("EPC") business segment continued to be the main revenue contributor with S$111.2 million, compared to S$104.9 million in FY2024 as the progressive rollout of projects, which commenced in the prior financial year, continued into FY2025.

With a key focus on expanding our recurring revenue base, the Group's Operations and Maintenance ("O&M") business segment experienced strong growth with revenue nearly doubling to S$44.2 million in FY2025 as compared to S$22.4 million in FY2024.

As a result, gross profit contribution from the O&M business segment increased substantially to S$9.1 million in FY2025 as compared to a gross profit of S$2.1 million in FY2024.

Our EPC business segment posted lower gross profit contribution of S$6.1 million in FY2025 as compared to a gross profit of S$14.3 million in FY2024, mainly due to higher labour costs and raw material price increases for the legacy COVID-era projects nearing completion.

While the Group posted higher revenue growth in FY2025, our gross profit dipped 9.5% to S$14.7 million, from S$16.2 million in FY2024. Correspondingly, the Group's overall gross profit margin was lowered from 12.4% to 9.3% with the EPC business still accounted as the Group's largest revenue contributor in FY2025.

As at 31 March 2025, the Group's balance sheet has strengthened with total assets and equity attributable to owners of the Company increasing to S$125.8 million and S$32.7 million respectively. The Group's net asset value per share also increased marginally to 12.25 Singapore cents.

More details of our financial performance for FY2025 can be found in the "FY2025 Financial Review" section of this annual report.

## Continual dividend track record

Reflecting our commitment to rewarding shareholders, the Board is pleased to propose a final dividend of 0.173 Singapore cents per share ("Proposed Dividend"), which would constitute 30.0% of the net profit attributable to owners of the Company for FY2025. The Proposed Dividend is subject to the approval of shareholders at the upcoming annual general meeting.

## Improved revenue visibility with order book of S$228.6 million

As at 31 March 2025, the Group has an order book of S$228.6 million that provides improved revenue visibility ahead.

### EPC

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, and majority of them are expected to be completed by FY2027.

Looking ahead, several sizeable EPC projects in Singapore are expected to be tendered within the next 12 months, offering potential growth opportunities. This presents a significant opportunity for the Group to further strengthen our order book as Singapore continues its critical infrastructure investments to improve public services, operational efficiency and urban resilience.

The Group is also on the lookout for opportunities presented by Singapore's S$100 billion coastal protection plan, of which we were involved in the first such pilot project at Pulau Tekong.

### O&M

Leveraging on our engineering capabilities and track record in this niche industry, the Group will continue to focus on securing new O&M contracts for the long-term maintenance of water and wastewater plants, and public utilities.

## Strategic growth initiatives in Asia's environmental industry gaining pace

To complement our core services in EPC and O&M business segments, the Group has strategically expanded into growth-oriented business segments under our EBS, which includes the following:

- Chemical Manufacturing ("CHM") - the production and supply of magnesiumhydroxide 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.

In FY2025, CHM segment achieved a pivotal milestone with the successful completion of its first magnesium hydroxide slurry top-up for a major vessel — a key step forward in our business development and manufacturing journey over the past two years. Building on this progress, the Group aims to strengthen our presence in the marine sector while exploring new applications for its magnesium hydroxide slurry to tap into additional markets and target new revenue streams.

Meanwhile, IND segment continues to expand its footprint in the region, actively pursuing tenders in high-potential markets such as Singapore, Malaysia, and Thailand. With a growing track record and rising demand for sustainable industrial solutions, IND segment is well-positioned for further growth.

RES segment has also reached a revenue-generating phase, with its solar power production system at Mercure Koh Chang Hideaway in Thailand officially supplying electricity as of 1 October 2024. This marks the start of revenue contribution under a 20-year exclusive Power Purchase Agreement (PPA). RES segment is currently constructing two additional projects in Thailand and exploring a pipeline of opportunities, underscoring its strategy to establish a stable, recurring revenue base within the renewable energy sector.

## In appreciation

With nearly 20 years in business, our highly experienced team brings a proven track record in Asia's environmental industry. Led by a leadership team with over 75 years of combined expertise in the water and renewable energy sectors, the Group has successfully delivered large-scale projects and we are proud to serve a diversified portfolio of blue-chip clients across both the public and private sectors.

Our performance over the past year stands as a testament to the dedication and efforts of our management and staff.

On behalf of the Board, I would like to express my sincere appreciation for their steadfast contributions in what has been a challenging and uncertain environment.

I would also like to thank my fellow Board members for their invaluable guidance and continued support to navigate the evolving macroeconomic landscape and achieve our strategic business priorities.

We are also deeply grateful to our customers, bankers, and business partners for their trust and collaboration throughout the years.

To our shareholders, thank you for your enduring confidence in our leadership and vision as we advance towards our ambition to become a world-class environmental engineering company.

With a commitment to operational excellence in our core services, we have laid a foundation for sustainable growth—through diversification across high-potential sectors, and we look forward with confidence to execute our vision with discipline, agility, and innovation amidst a rapidly evolving economic and environmental landscape.

Thank You!

**Mr Ng Lip Chi, Lawrence**
NON-EXECUTIVE CHAIRMAN AND INDEPENDENT DIRECTOR

# Board of **Directors**

## Mr Ng Lip Chi, Lawrence

**NON-EXECUTIVE CHAIRMAN AND INDEPENDENT DIRECTOR**

Mr Ng serves as our Non-Executive Chairman and Independent Director, having joined our Board on 11 May 2017. In addition, he is also the Chairman of the Remuneration Committee.

Mr Ng is an executive director of NLC Advisory Pte. Ltd., which provides corporate advisory and business consultancy services. He has extensive experience in international mergers and acquisitions and corporate finance, having worked in professional and financial services firms such as Arthur Anderson, Credit Agricole Indosuez Merchant Bank Asia Ltd and DBS Bank Ltd, as well as the corporate finance team of an Asian natural resources conglomerate.

Mr Ng is a Chartered Financial Analyst and holds a Bachelor of Business Administration degree from the National University of Singapore.

## Mr Kew Boon Kee

**DEPUTY CHAIRMAN AND EXECUTIVE DIRECTOR**

Mr Kew serves as our Deputy Chairman and Executive Director, having been appointed to our Board on 27 February 2017.

Mr Kew's responsibilities encompass a wide range of areas, including succession planning, talent development, and guiding the Group's efforts in business diversification, strategic alliances, mergers and acquisitions, and inorganic growth strategies.

As a co-founder of Sanli, Mr Kew's extensive tenure of over 25 years in water and waste projects underscores his profound expertise and vision in the field, making his contributions invaluable to our organisation.

Mr Kew holds an Engineering Diploma from the Federal Institute of Technology and a Bachelor of Engineering degree in Electrical and Electronic Engineering from the University of Sunderland.

## Mr Sim Hock Heng

**CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR**

Mr Sim serves as our Chief Executive Officer and Executive Director, having joined our Board on 27 February 2017.

Mr Sim holds the responsibility of supervising the Group's day-to-day operations and management. His pivotal role involves implementing decisions and strategies across the organisation, aimed at building a strong and sustainable business model that is aligned with the Company's vision and mission.

With over 25 years in the water and waste management sector, Mr Sim has acquired a profound understanding of the industry's complexities and challenges. As a co-founder of Sanli, he goes beyond project management, actively fostering partnerships and collaborations to drive innovation and progress.

Mr Sim holds a Diploma in Electrical Engineering from Singapore Polytechnic and a Bachelor of Science degree from SIM University.

## Mr Lee Tien Chiat
**EXECUTIVE DIRECTOR**

## Mr Latiff Bin Ibrahim
**INDEPENDENT DIRECTOR**

## Mr Chan Hock Leong
**INDEPENDENT DIRECTOR**

Mr Lee serves as our Executive Director and has been a member of our Board since 27 February 2017.

Mr Lee assumes leadership over our Chemical Manufacturing business and oversees EPC project within our organisation. He is responsible for guiding the operations of the Chemical division and ensuring the smooth execution of EPC projects.

With over 25 years of experience in water and waste management, Mr Lee has been a driving force behind the growth and success of the EPC business since joining our Group in 2007. His dedication to enhancing processes and delivering value to our clients underscores his invaluable contribution.

Mr Lee holds a Bachelor of Science degree in Mechanical Engineering from National Taiwan University and a Master of Science degree in Environmental Engineering from Nanyang Technological University.

Mr Latiff serves as our Independent Director since 19 October 2020. In addition, he is also the Chairman of the Nominating Committee.

Mr Latiff is a member of the Singapore Academy of Law and was in legal practice for more than thirty-five years. His legal expertise spans infrastructure, construction, and engineering law. He held Partner roles at Khattar Wong & Partners and Harry Elias Partnership, serving as Managing Partner at the latter.

Additionally, Mr Latiff has been appointed as an arbitrator and adjudicator under the auspices of the Singapore International Arbitration Center and Singapore Mediation Center. He also serves on public institution boards.

Mr Latiff graduated with a Bachelor of Law degree from the National University of Singapore in 1985 and became an Advocate and Solicitor in 1986.

Mr Chan serves as our Independent Director since 11 May 2017. In addition, he is also the Chairman of Audit Committee, ensuring the Company's strong governance, transparency, and compliance.

Bringing his extensive expertise to our Board, Mr Chan currently serves as the managing partner at Forvis Mazars LLP Singapore, where he also holds the position of APAC regional leader of audit and assurance, member of the Global Audit Board and member of Group Governing Board of Forvis Mazars.

Mr Chan is a fellow member of the Institute of Singapore Chartered Accountants (ISCA) and a fellow member of the Association of Chartered Certified Accountants (ACCA). He serves on the Public Accounting Practice Committee of ISCA and was also a member of the ACCA Singapore Network Panel from 2016 to 2020.

# Key Management

## Mr Tan Thean Seang, Fredrik

**CHIEF FINANCIAL OFFICER**

Mr Tan joined Sanli in 2016, and currently serves as Chief Financial Officer. He is responsible for overseeing the Group's finance function, investor relations, and mergers & acquisitions, and also holds directorships in several key subsidiaries to support strategic decision-making.

With more than 15 years of experience in finance and corporate strategy, Mr Tan has played a key role in Sanli's growth and transformation. He was instrumental in the Company's successful IPO and has since supported its strategic expansion into the renewable energy sector.

Mr Tan is a Chartered Accountant of Singapore (ISCA) and holds a Professional Accountancy Qualification from The Association of Chartered Certified Accountants (ACCA).

## Mr Chua Chwee Tian, Andrew

**BUSINESS UNIT DIRECTOR (ENVIRO PLANT & ENGINEERING PTE. LTD.)**

Mr Chua joined Sanli in 2014 and currently serves as the Managing Director of Enviro Plant & Engineering Pte. Ltd.. His primary focus is on delivering environmental engineering solutions for the industrial sector.

With over 30 years of experience in project management and business development within the environmental engineering and pump sectors, Mr Chua brings his invaluable expertise to our team and has played a pivotal role in establishing Sanli Myanmar and subsequently excelled in various sales and marketing initiatives.

Mr Chua holds a Diploma in Public Health Engineering from Ngee Ann Polytechnic and a Bachelor of Engineering degree in Environmental Engineering from Deakin University.

## Mr Vasu Babu

**BUSINESS UNIT DIRECTOR (SANLI E&C PTE. LTD.)**

Mr Babu has been a vital asset to Sanli since 2006, and currently excels as the Managing Director of Sanli E&C Pte. Ltd.. In this key role, he drives excellence in plant servicing, operations, maintenance, and MEICA Equipment Replacement Projects across both Public and Private sectors.

Having begun his career at Sanli alongside our founders, Mr Babu's outstanding performance and unwavering dedication have paved the way for his ascendancy to this leadership position. Over his 18 years with the Group, he has effectively delivered a multitude of O&M and EPC projects, consistently exceeding expectations.

Mr Babu holds a Diploma in Electrical Engineering from Ngee Ann Polytechnic and a Bachelor of Engineering degree in Electrical and Electronics Engineering from Coventry University. His qualifications, coupled with his extensive experience, make him an invaluable leader in our industry.

## Mr Tan Siong Heng, Daniel
**BUSINESS UNIT DIRECTOR (ENGINEERING, PROCUREMENT AND CONSTRUCTION)**

Mr Tan joined Sanli in 2021 and serves as the Head of the EPC Department, sharing responsibilities with Mr Tan Chun Haw. Together, they oversee the entire project lifecycle from tender to execution.

With over three decades of experience in Water & Wastewater Treatment and Electro-Chlorination Plant operations, Mr Tan has managed significant projects for clients such as PUB and successfully completed the Oman Nimr MBR Project. He has also spearheaded over 100 Electro-Chlorination Projects across Asia, ranging from Power Plants to FPSOs and Municipal Plants.

Mr Tan holds a Bachelor of Engineering degree in Mechanical Engineering from Nanyang Technological University and a Master of Science degree in Environmental Engineering from the National University of Singapore.

## Mr Tan Chun Haw
**BUSINESS UNIT DIRECTOR (ENGINEERING, PROCUREMENT AND CONSTRUCTION)**

Mr Tan joined Sanli in 2021, and currently shares leadership as Co-Head of the EPC Department with Mr Tan Siong Heng, Daniel. Together, they oversee the entire project lifecycle from tender to execution.

With over 15 years of experience in project management within the water and wastewater industries, Mr Tan's prior accomplishments include notable projects such as the Changi Airport Pumphouse & Substation, JWRP Industrial Water Pumping Station, RWS Marine Life Park Life Support System, and Chestnut Avenue Waterworks BAC & Ozone Process Upgrading.

Mr Tan holds a Bachelor of Engineering degree in Electrical and Electronic Engineering from the University of Hertfordshire. Additionally, he is certified as a Project Manager (CPM) and holds the Project Management Professional (PMP)® certification.

## Mr Wong Yik Phui
**GENERAL MANAGER (CORPORATE)**

Mr Wong joined Sanli in 2022 and serves as General Manager (Corporate) with responsibilities spanning talent & people management, procurement and contracts, information technology, and office administration.

With a remarkable career spanning over 25 years in a large conglomerate, Mr Wong has led marketing & sales, business operations, and management in Power Grid, Electrifications and Automation. He was also an APAC Regional Market Manager before joining the Group.

Mr Wong holds a Diploma in Electrical Engineering and an Advanced Diploma in Strategic Marketing from Singapore Polytechnic. Additionally, he also holds a Bachelor of Business Administration degree from the Royal Melbourne Institute of Technology.

## Mr Abdul Zahid Abd Karim
**GROUP HEALTH, SAFETY AND ENVIRONMENT MANAGER**

Mr Zahid joined Sanli in 2019 and holds the position of Group Health, Safety and Environment ("HSE") Manager. He leads the strategic management of HSE practices across the entire Group.

With 20 years of experience in safety management, Mr Zahid is highly skilled and knowledgeable in his field.

Mr Zahid holds a Specialist Diploma in Workplace Safety and Health from Ngee Ann Polytechnic and Bachelor of Science in Safety, Health and Environment Management from Leeds Beckett University, UK. He is also a registered Workplace Safety and Health Officer, Environmental Control Officer, Fire Safety Manager, Earth Control Measure Officer, and a certified Facilitator.

# Corporate **Milestones**

## 2006

### Mar

Establishment of Sanli, initiating our journey in the engineering sector.

**2006 – 2016**

Successfully delivered thousands of projects, establishing a strong foundation.

## 2016

### Jun

Secured $1^{st}$ mega project worth S$114.8 million from PUB with Chye Joo Construction Pte Ltd for process upgrading at Choa Chu Kang Waterworks.

## 2017

### Jun

Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, marking a significant corporate milestone.

## 2018

### Nov

Contract awarded for coastal protection at Pulau Tekong.

## 2019

### Jan

Secured $1^{st}$ mega contract worth S$51.5 million as sole main contractor at Kranji Water Reclamation Plant.

### Jun

Successfully completed $1^{st}$ mega project at Choa Chu Kang Waterworks.

## 2020

### Jun

Secured $1^{st}$ mega project (Contract 4A) worth S$170.2 million at Tuas Water Reclamation Plant.

## 2021

### Jul

Secured $1^{st}$ project worth S$71.2 million at Johor River Waterworks in Kota Tinggi, Malaysia, our inaugural project in Malaysia.

## 2022

### Apr

Established Enviro Plant & Engineering Pte. Ltd., which specialises in cutting-edge environmental solutions.

### Jun

Established Mag Chemical Pte. Ltd. to manufacture magnesium hydroxide slurry.

### SEP

Awarded $2^{nd}$ mega project (Contract 3E) worth S$66 million at Tuas Water Reclamation Plant.

### Nov

Achieved first customer milestone for Mag Chemical Pte. Ltd..

## 2023

### Feb

Successfully completed mechanical and electrical equipment replacement at Kranji Water Reclamation Plant.

### Apr

Secured inaugural project for Enviro Plant & Engineering Pte. Ltd., valued at S$4.5 million.

### Nov

Established Sanli-Engreen Co. Ltd., our Thailand-based subsidiary, specialising in solar power generation sector.

## 2024

### Jan

Completed relocation to new headquarters at 22 Chin Bee Drive, enhancing operational capabilities.

### Mar

Launched $1^{st}$ renewable energy investment for Sanli-Engreen Co. Ltd.

### Jun

Established Zaison Energy Pte. Ltd., focusing on waste-to-energy gasification projects.

### Jul

Established WSH360 Solutions Pte. Ltd., focusing on consultancy and safety training programs.

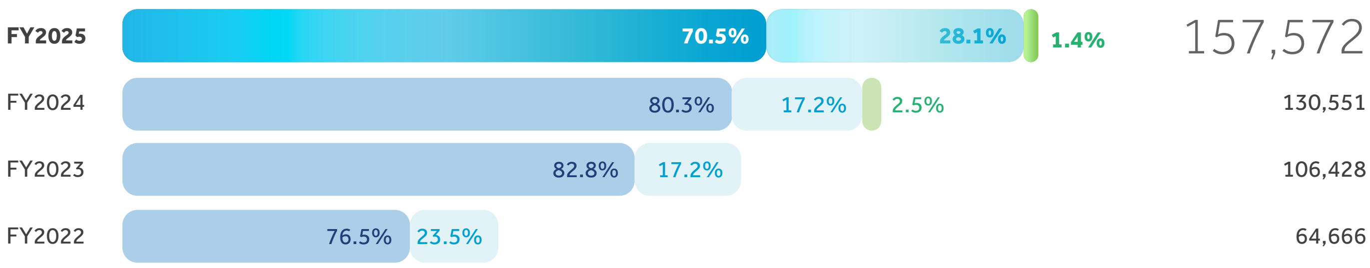
### Oct

Successfully completed the installation of solar power production system at Mercure Koh Chang Hideaway in Thailand.

# Financial **Highlights**

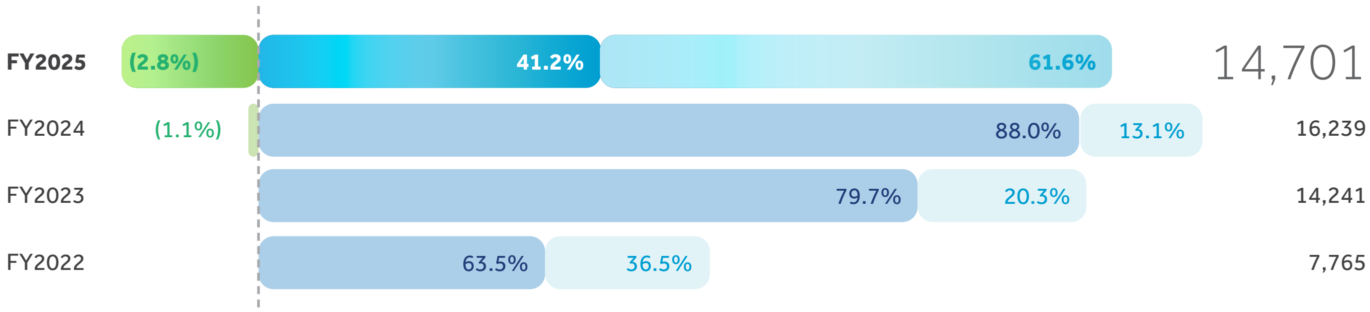
## Revenue
(S$'000)

- Engineering, Procurement and Construction
- Operations and Maintenance
- Emerging Business Segments

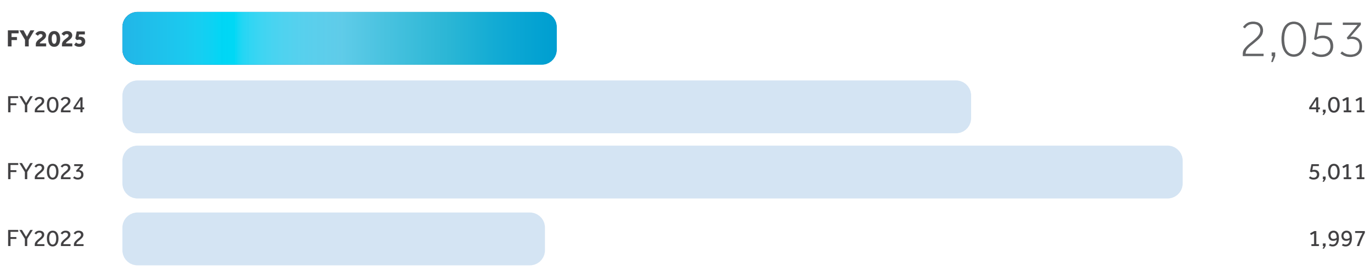



## Gross Profit
(S$'000)

- Engineering, Procurement and Construction
- Operations and Maintenance
- Emerging Business Segments




## Profit Before Tax
(S$'000)




## Profit Attributable to Owners of the Company
(S$'000)

# FY2025 Financial Review

**Revenue**

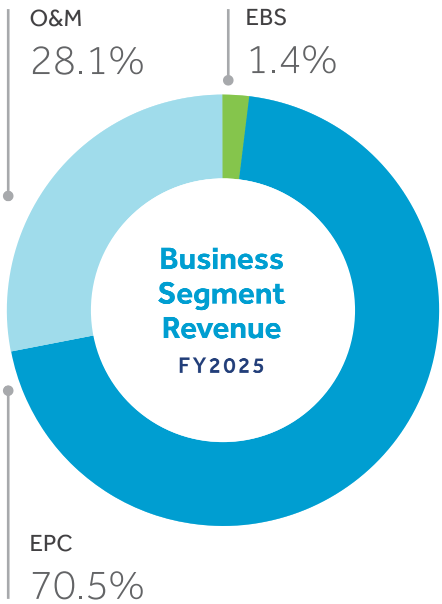
S$157.6 million

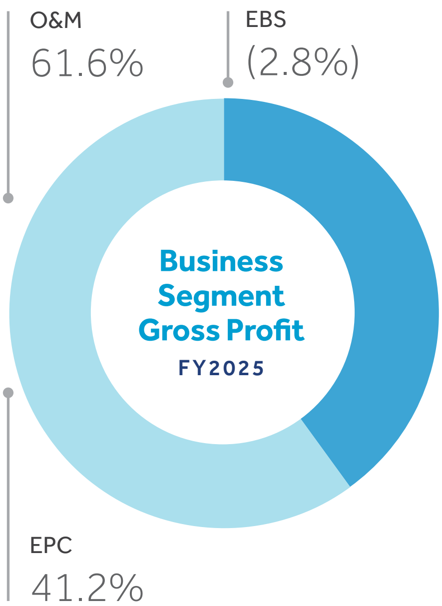
**20.7%** (FY2024: S$130.6 million)

**Gross Profit**

S$14.7 million

**9.5%** (FY2024: S$16.2 million)




## Revenue

FY2025 was a year of strong revenue growth and continued strategic diversification. Group revenue increased by 20.7% to S$157.6 million, supported by higher contributions from both the Engineering, Procurement and Construction ("EPC") and Operations and Maintenance ("O&M") segments.

EPC revenue grew by 6.0% to S$111.2 million in FY2025, reflecting steady progression of infrastructure projects secured in earlier periods. Revenue contribution from the O&M segment nearly doubled to S$44.2 million in FY2025, driven by a significant increase in completed maintenance orders.

However, revenue from the Emerging Business Segments ("EBS") declined to S$2.2 million in FY2025, from S$3.2 million in FY2024, due to the completion of a major Industrial & Gasification project. Nevertheless, EBS achieved key business milestones, including the Group's first recurring income from a solar PV asset in Thailand and the completion of its first magnesium hydroxide slurry top-up for a major vessel.

## Profitability

Cost of contract works rose by 25.0% to S$142.9 million in FY2025 (FY2024: S$114.3 million), in line with increased project activities. The EPC segment accounted for S$105.1 million in FY2025, an increase of 16.0% as compared to FY2024, driven by higher labour, subcontracting, and material costs tied to legacy COVID-era projects.

O&M costs rose 73.3% to S$35.2 million in FY2025, in tandem with the sharp growth in completed orders, while EBS costs decreased to S$2.6 million in FY2025, down from S$3.5 million in FY2024, in line with the lower revenue contribution.

As a result, gross profit declined by 9.5% to S$14.7 million, with the gross profit margin narrowing to 9.3% in FY2025 (FY2024: 12.4%), primarily due to the lower margins in the EPC segment that was related to legacy COVID-era projects.

Other income increased to S$1.5 million in FY2025, up from S$0.5 million in FY2024, mainly due to the disposal gain of 15 Kian Teck Drive ("Kian Teck property") and higher rental income from our dormitory facilities at 22 Chin Bee Drive.

Administrative expenses remained relatively stable at S$9.4 million in FY2025, mainly due to higher staff-related costs and professional fees.

Other operating expenses rose to S$2.5 million in FY2025, primarily from higher depreciation of the newly acquired headquarters at 22 Chin Bee Drive.

**Total Asset**

S$125.8 million

**6.9%** (FY2024: S$117.7million)

**Net Asset Value per Share**

12.25 Singapore cents

**2.1%** (FY2024: 12.00 Singapore cents)

Finance costs increased by 38.8% to S$2.3 million in FY2025, mainly due to higher interest expenses associated with borrowings to support working capital and property financing.

Despite lower operating margins, the Group remained profitable, recording a net profit of S$1.7 million for FY2025. With a stable financial position and growing, recurring revenue from our diversified business model, the Group is well-positioned to strengthen its earnings base and harness new growth opportunities in FY2026 and beyond.

## Financial Position

As at 31 March 2025, the Group's financial position remained stable, with current assets increasing from S$95.9 million to S$104.7 million, driven by project progress and steady cash flows.

Contract assets rose by S$11.8 million, from S$62.1 million to S$73.9 million, reflecting substantial progress on several large government infrastructure projects that reached key milestones near year-end. Related billings will be recognised in the following financial year.

Trade and other receivables declined by S$1.2 million, from S$20.8 million to S$19.6 million, due to lower billing activity in March 2025 compared to the same period in FY2024.

Cash and cash equivalents increased by S$1.0 million, from S$6.4 million to S$7.4 million, supported by financing cash flows.

Assets held for sale decreased by S$2.8 million, from S$6.6 million to S$3.8 million, following the completion of disposal of Kian Teck property.

Non-current assets fell slightly, from S$21.8 million to S$21.1 million, mainly due to depreciation of property, plant and equipment, including the Group's headquarters at 22 Chin Bee Drive.

Current liabilities rose from S$72.3 million to S$82.2 million, primarily due to higher short-term bank borrowings to finance equipment and materials for major EPC projects, in line with the rise in contract costs.

Non-current liabilities decreased from S$13.3 million to S$10.5 million, mainly due to scheduled repayment of the Group's property loan.

## Cash Flow

In FY2025, the Group recorded a net increase of S$1.0 million in cash and cash equivalents, compared to a net decrease of S$13.4 million in FY2024. This was mainly due to stronger cash inflows from financing activities and proceeds from the disposal of Kian Teck property, which helped offset working capital needs related to project execution.

Net cash used in operating activities was S$8.8 million in FY2025, comprising operating cash flow before working capital changes of S$6.6 million, offset by a net outflow of S$15.4 million from working capital changes and income tax. The largest driver was a S$11.8 million increase in contract assets, as major projects reached milestones near year-end, resulting in deferred billings. Trade and other receivables decreased by S$1.2 million, in line with lower billing activity as at year end. Trade and other payables fell by S$4.6 million, as supplier balances were settled using short-term financing. Contract liabilities increased by S$0.5 million, due to higher advance billings. Income tax paid was S$0.7 million.

Net cash used in investing activities was S$17 thousands in FY2025, primarily due to the net purchases and disposal of property, plant and equipment.

Net cash from financing activities totalled S$9.8 million in FY2025, driven by additional bank borrowings for working capital and project funding. This was partially offset by loan and lease repayments, dividend payments, and interest expenses.

# Projects Compilation


19
**EPC Projects**
Engineering, Procurement and Construction

31
**O&M Projects**
Operations and Maintenance

| LOCATION | EPC | O&M |
|---|---|---|
| | NO. OF PROJECTS | |
| Bidadari / Kim Chuan | 2 | – |
| Bedok / Changi | 2 | 4 |
| Chestnut | 1 | – |
| Gardens by the Bay / Marina Barrage / Marina Bay | 1 | 2 |
| Johor | 2 | 3 |
| Tengah | 1 | – |
| Kranji / Woodlands | 2 | 1 |
| Punggol | 1 | – |
| Sentosa | – | 1 |
| Tekong | 1 | – |
| Tembusu (Jurong Island) | – | 1 |
| Tuas / Tuas South | 4 | 4 |
| Various | 2 | 15 |
| **Total** | **19** | **31** |

# Projects Gallery

## Delivering transformative infrastructure through sustainable engineering

We continue to make steady progress on four ongoing projects featured previously. These projects reflect our long-term commitment to engineering excellence and environmental sustainability.

| | CONTRACT 4A – TUAS WATER RECLAMATION PLANT | CONTRACT 3E – TUAS WATER RECLAMATION PLANT |
|---|---|---|
| |  |  |
| Location: | Singapore | Singapore |
| Work Description: | Engineering, procurement, and construction of Mechanical, Electrical, Instrumentation, Control, and Automation (MEICA) systems including biosolids treatment, biogas handling facilities, and digesters. The project also supports co-digestion of food waste and used water to enhance biogas production for power generation. | Construction of odour control facilities for liquids modules, including Biotrickling Filtration System, Activated Carbon Polishing System, and Nutrient Dosing System. This enhances the plant's capability to treat used water and produce NEWater. |
| Project Value: | S$170.2 million | S$66.0 million |
| Expected Completion: | 2026 | 2027 |

| | NEW DISINFECTION SYSTEM – JOHOR RIVER WATERWORKS | POLDER MECHANICAL WORKS |
|---|---|---|
| |  |  |
| Location: | Kota Tinggi, Malaysia | Pulau Tekong, Singapore |
| Work Description: | Construction and commissioning of a sodium hypochlorite-based disinfection system, including civil, mechanical, electrical, and Instrumentation, Control, and Automation (ICA) works. This system eliminates the need for hazardous chemical transport. | Supply and installation of mechanical water management systems including central pumping station, drains, dikes, and dredging works as part of Singapore's first polder project to combat rising sea levels. |
| Project Value: | S$71.2 million | Project awarded by Boskalis/Penta-Ocean JV |
| Expected Completion: | 2026 | 2026 |

# Projects Gallery

## O&M



*Photo: Our dedicated O&M team during a safety briefing — demonstrating our strong workforce foundation and emphasis on safety culture.*

### OPERATIONS & MAINTENANCE – A CORE ENGINE OF STABLE GROWTH

Sanli's Operations & Maintenance (O&M) services form a cornerstone of our business, providing stable, recurring revenue in a highly resilient sector.

We specialise in corrective and preventive maintenance of critical water and wastewater infrastructure, with a proven ability to minimise downtime and uphold operational continuity for our clients. Backed by over 30 concurrent contracts with PUB, we have earned our reputation as a trusted long-term partner in safeguarding Singapore's water ecosystem.

In FY2025, we doubled our O&M revenue — a testament to our strong execution capability, expanding workforce, and growing demand for reliable essential services.

Our dual BCA L6 licenses (ME05 & ME11) further enhance our ability to undertake complex and multi-disciplinary maintenance projects at scale.

With in-house EPC and O&M capabilities, Sanli offers a comprehensive end-to-end solution — from design and build to ongoing lifecycle maintenance — uniquely positioning us to deliver long-term value and support clients across the full project spectrum.

## Ongoing Development under Emerging Business Segment

### PRODUCTION FACILITIES UNDER MAG CHEMICAL PTE. LTD.

Mag Chemical Pte. Ltd. ("Mag-Chem") continues to strengthen its foothold in the chemical manufacturing sector with the production of high-quality magnesium hydroxide slurry ("Mag-S") for diverse industrial applications.

In FY2025, Mag-Chem achieved a key operational milestone with the successful top-up delivery to a major maritime vessel, expanding its reach into the marine segment. This marks meaningful progress in scaling operations and capturing new customer sectors.

To support long-term growth, Mag-Chem is actively enhancing its production capacity and distribution network, backed by a dedicated quality and testing lab that ensures product excellence and customer satisfaction.

These efforts position Mag-Chem as a rising contributor to the Group's innovation-driven growth and commitment to sustainable industrial solutions.

### RENEWABLE ENERGY SOLUTIONS

Sanli is actively expanding into renewable energy with a focus on long-term, stable income through solar power projects.

In FY2025, we completed 0.5MW of solar installations in Thailand, secured under 20-year Power Purchase Agreements (PPAs) with reputable commercial clients. These projects mark an important step in building a recurring income stream from clean energy.
We are currently constructing two additional solar projects in Thailand, strengthening our presence in the region's fast-growing renewable energy market.

By leveraging strategic partnerships and government support, we are committed to establishing a sustainable energy portfolio while contributing to the regional transition toward cleaner power.

# Sustainability **Report**

## Board Statement

We are pleased to present our annual Sustainability Report ("**Report**") of Sanli Environmental Limited ("**Sanli**", the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 31 March 2025 ("**FY2025**").

Sustainability is a part of the Group's wider strategy to create long-term value for all stakeholders. As such, the Group is committed to integrating material economic, environmental, social, and governance ("**EESG**") factors as part of our core business strategy.

The Board of Directors (the "**Board**") considers sustainability in determining the Group's strategic direction. This includes overseeing sustainability-related risks and opportunities relevant to the Group and setting out the sustainability objectives, practices, and policies. The key material EESG factors, data, and information provided in this report have been identified and cautiously reviewed by the Board.

The Board remains committed to establishing and maintaining an effective sustainability management framework, which is supported by underlying internal controls, risk management practices, clear accountability, and reporting process. All of our Group's directors have attended and completed the approved sustainability training courses prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). We are of the view that this crucial step will help our Group develop well-rounded approaches to managing sustainability and align with stakeholders' expectations.

We have subjected our sustainability reporting process to an internal review by our internal auditor. This exercise has helped us identify the areas where we excelled, and areas that needed more improvement for sustainability reporting and management of material EESG factors. We are keen to continuously improve and build internal capabilities in the area of sustainability. To further ensure the accuracy of the data and information provided in this Report, we will consider seeking an external independent assurance review in the future.

### REPORTING PERIOD, SCOPE, AND FRAMEWORK

This Report has been prepared in accordance with Rule 711A and 711B and Practice Note 7F of the SGX-ST Section B: Rules of Catalist ("**Catalist Rules**") with reference to the Global Reporting Initiative Standards 2021 ("**GRI**") and Task Force on Climate-Related Financial Disclosures ("**TCFD**") Recommendations.

Sanli has chosen the GRI and TCFD Recommendations as they are internationally recognised reporting frameworks that cover a comprehensive range of sustainability and climate-related disclosures. This Report highlights the Group's sustainability performance for the 12-month period, from 1 April 2024 to 31 March 2025 ("**Reporting Period**").

We understand the importance of the TCFD Recommendations in providing comprehensive guidance on sustainability performance and recognise the need to report on our progress. We have been working with our stakeholders to assess climate-related risks and opportunities where appropriate and practicable, in accordance with the business activities of the Group. In this Report, we continued to report on our climate-related disclosures guided by the TCFD Recommendations.

This Report covers the following entities of the Group, which are listed below:

- Sanli Environmental Limited ("**Sanli**")
- Sanli M&E Engineering Pte Ltd ("**SMEPL**")
- Sanli E&C Pte Ltd ("**SECPL**")
- Sanli M&E Engineering Sdn Bhd ("**SMESB**")
- Enviro Plant & Engineering Pte Ltd ("**EPE**")
- Mag Chemical Pte Ltd ("**MCPL**")
- Sanli Environmental (Myanmar) Co Ltd ("**SEC**")
- Sanli Bina (M) Sdn. Bhd. ("**SBM**")
- WSH360 Solutions Pte. Ltd. ("**WSH360**")

# Sustainability **Report**

This Report summarises the expectations from various stakeholders, general business environment that the Group is operating in, and what the Group has done to ensure the sustainability of the Group. The information disclosed in the report, read together with the information in the Group's Annual Report will provide the reader with a holistic view of the operations of our Group.

### FEEDBACK

We welcome feedback from our stakeholders regarding our sustainability efforts as this enables us to consistently improve our policies, systems, and results. Please send your comments and suggestions to investor.relations@sanli.com.sg.

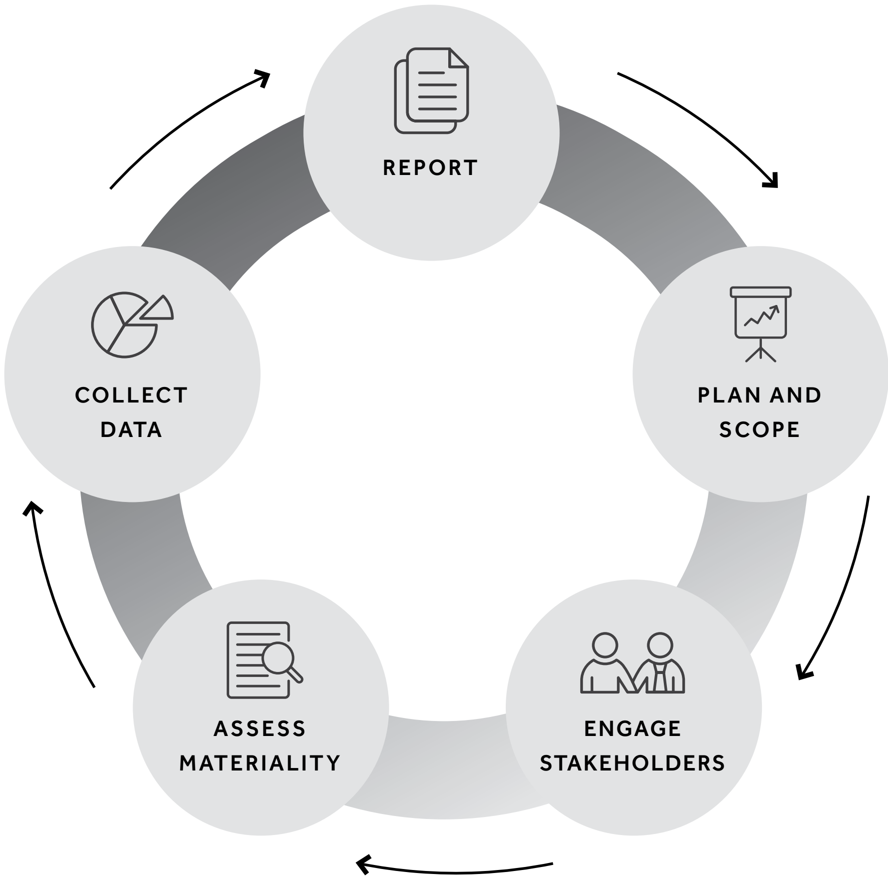
### ACCESS

You may visit SGX website or our company website https://www.sanli.com.sg for our organisational details and Sustainability Report.

## Sustainability Approach

### SUSTAINABILITY METHODOLOGY

At Sanli, we are committed to conducting our business in a responsible and sustainable manner. To achieve and maintain our sustainability goals, the Group articulates our sustainability commitment through the following processes:



# Sustainability **Report**

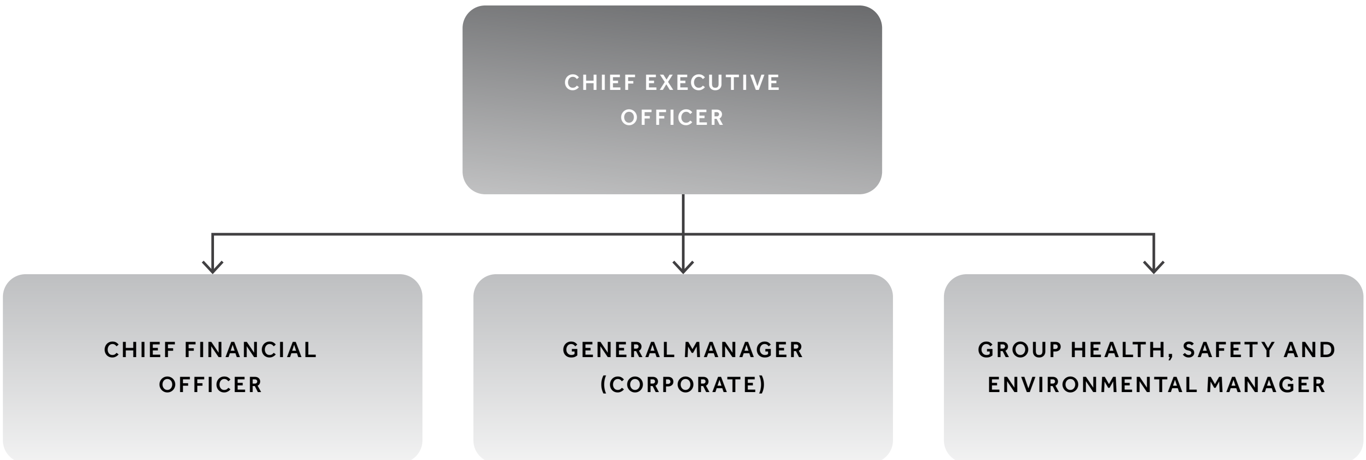
**SUSTAINABILITY GOVERNANCE**

Strong governance is the key to a sustainable business, and it is a continual challenge to successfully manage environmental and social issues. Sanli has incorporated sustainability governance into our business model and implemented sustainable and responsible practices throughout the Group. We are committed to providing top-notch services to meet the relevant sustainability and climate-related requirements set out by our stakeholders and the regulatory bodies.

Sanli pays strict attention to enforcing good labour practices in all our operations. The Group provides various training opportunities for continuous employee development, and this has been reflected in the quality and delivery of our services. We value our relationships with our clients and the wider community in which we operate, and these relationships have helped us through challenging times in the past. The Group strongly believes that in the long run, these efforts will be reciprocated through positive impacts on the Group's economic performance.

The Board takes overall responsibility in overseeing and monitoring the Group's sustainability and climate-related management. A Sustainability Committee ("**SC**"), chaired by the Chief Executive Officer ("**CEO**") and comprises of senior management including the Chief Financial Officer ("**CFO**"), General Manager (Corporate) and Group Health, Safety and Environmental Department Manager, is responsible for driving the Group's overarching sustainability and climate-related strategy and channelling the implementation of sustainability initiatives in the Group's day-to-day operations. The Sustainability Committee members in their respective functions are also responsible for implementation, measuring, monitoring, and reporting on the sustainability performance.

**Sustainability Committee:**




The Board is committed to the best practices of corporate governance to ensure the sustainability of the Group's operations. We believe that the constant drive to upkeep corporate excellence will allow us to establish a more transparent, accountable, and equitable system, thereby increasing the value of the Company and the value of our shareholders. In FY2025, we have complied with the principles of the Code of Corporate Governance (the "**Code 2018**"). Please refer to pages 45 to 74 for the details of the Group's Corporate Governance Report.

Our 3-Year Performance

Throughout FY2025, we achieved the target we set last year.

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. Complied with the Code 2018. | Target met. Complied with the Code 2018. | Target met. Complied with the Code 2018. |

Our FY2026, Medium- and Long-Term Targets

We will continue to meet all requirements that are expected of us by our stakeholders and continue to comply with the Code 2018.

## ENTERPRISE RISK MANAGEMENT

Sanli believes that Enterprise Risk Management ("**ERM**") is an integral part of good corporate governance as well as effective resource management. The ERM facilitates the Board in identifying and assessing key operational, financial, compliance, and information technology risks with reference to the business goals, strategies, and critical success factors of the Group. Under the ERM Framework, Management and executives of all levels are expected to constantly review the business operations and the operating environment to identify risk areas and ensure mitigating measures are promptly developed to minimise these risks. The ERM Framework outlines the Group's approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, monitoring, managing, and reporting risks faced by the Group. Thus, it allows the Group to address changes and challenges in the business environment, reduce uncertainties, and facilitate the shareholder value creation process on an ongoing basis.

Our 3-Year Performance

In FY2025, we have reviewed our ERM policies and updated our risk register accordingly.

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. Reviewed the ERM policies to ensure all relevant risks were identified, communicated, and addressed timely. | Target met. Reviewed the ERM policies to ensure all relevant risks were identified, communicated, and addressed timely. | Target met. Reviewed the ERM policies to ensure all relevant risks were identified, communicated, and addressed timely. |

Our FY2026, Medium- and Long-Term Targets

We will continue to review ERM policies annually and ensure all relevant risks are identified, communicated, and addressed timely.

# Sustainability **Report**

## Business Ethics and Compliance

Sanli is proud to inform that the Group is fully compliant with environmental and socioeconomic rules and regulations, including anti-competitive practices and the Workplace Safety and Health Act. The Group also regularly updates relevant staff with developments in international and local regulations.

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. Our code of conduct clearly lays the Group's expectations for our staff and spells out consequences for violating rules or not meeting expectations. In addition, we also have clear and fair grievance procedures for internal dispute resolution, and we also take into serious consideration any conflict of interest in order for us to align with the Code 2018.

The Board is also of the view that cybersecurity and data privacy laws and regulations are essential to comply with, in order to safeguard both the Group's data and that of our customers. Sanli takes measures to guard against cyber risks, protecting confidential information for both of our internal and external stakeholders. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised personnel on a need-to-know basis.

### ENVIRONMENTAL COMPLIANCE

Here at Sanli, compliance with relevant Codes and Regulations on environmental issues is of the utmost importance and we take steps at all our work sites to ensure the requirements are met throughout the duration of the projects.

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. Zero incidents of non-compliance with the applicable laws and regulations. | Target met. Zero incidents of non-compliance with the applicable laws and regulations. | Target met. Zero incidents of non-compliance with the applicable laws and regulations. |

For FY2025, we have achieved the target we set last year.

Our FY2026, Medium- and Long-Term Targets

We will maintain zero incidents of non-compliance with the applicable laws and regulations.

## Stakeholders Engagement

We have identified our key stakeholders and material EESG factors that are instrumental to our business. The interests and requirements of our key stakeholders are taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, employees, customers, suppliers, shareholders, and regulators.

| Key Stakeholders | Engagement Platforms | Frequency of Engagement | Key Concerns Raised | Our Response |
|---|---|---|---|---|
| **Employees** | Staff appraisal | Annually | Employee compensation and benefits, personal development | Reviewing our remuneration policies and package, and providing various employee training opportunities |
| | Town hall session | Annually | | |
| | Get-together session | Semi-annually | | |
| **Customers** | Face-to-face/ Virtual meetings and feedback | Daily | Quality of services, on-time completion | Estimating total time on completing projects without sacrificing service quality |
| | Occasional site-visits | Ad-hoc | | |
| **Suppliers** | Face-to-face/Virtual meetings | Daily | Prompt payment, accurate specifications, and selection of reliable suppliers | Establishing mutually agreed-upon payment terms |
| | Evaluation and feedback | Annually | Disruption of the supply chain, and higher cost of equipment and materials due to geopolitical tensions in Europe causing inflationary pressures across the board | Sharing timely updates to address fluctuations in supply and demands |
| **Shareholders** | Annual General Meetings ("**AGM**") | Annually | Financial and operational performance of the Group, corporate governance and sustainability practices, business strategies of the Group | Timely corporate announcements, considering sustainability in corporate strategy |
| | Annual Report | Annually | | |
| | Corporate announcements and financial results announcements | Ad-hoc | | |
| | Company Website | | | |
| **Regulators** | Occasional face-to-face meetings/ inspections | Ad-hoc | Full compliance with regulations | Setting the tone of compliance and ensuring strong governance from the top |
| | E-mails | Ad-hoc | | |
| | Surveys | Ad-hoc | | |

We regularly engage our diverse stakeholders and adopt both formal and informal channels of communication to understand the needs of our key stakeholders, communicate effectively with them, and respond to their concerns so as to include and align the expectations of those key stakeholders in our corporate strategies to achieve mutually beneficial relationships.

# Sustainability **Report**

The following key stakeholders are defined as having the most influence over and the highest level of interest in the Company's operations and it is essential for us to continue the stakeholder engagement process in a regular manner with them:

**EMPLOYEES**

Engagement with employees is conducted regularly to measure satisfaction levels, gather feedback as well as discuss business strategy, sustainability, and organisational changes.

**CUSTOMERS**

Customer satisfaction is one of the key focuses for our businesses. Engagement with customers, through site meetings, allows us to receive timely, valuable feedback to improve our service standards and gauge their expectations on our products and services.

**SUPPLIERS**

We aim to form long-standing and trusting relationships with reliable and credible suppliers. They are continually engaged in order for us to seek feedback for procurement matters and sustainability.

**SHAREHOLDERS**

We strive to maximise shareholder returns, maintain good corporate governance, and improve levels of transparency through financial and sustainability reporting and timely communication. We engaged shareholders and potential investors through various virtual and in-person channels to understand their concerns.

**REGULATORS**

We regularly obtain clarifications or understanding of the new or revised regulatory and industry standards and guidelines and seek advice from external consultants to ensure full compliance with the regulations.

## Memberships Associations

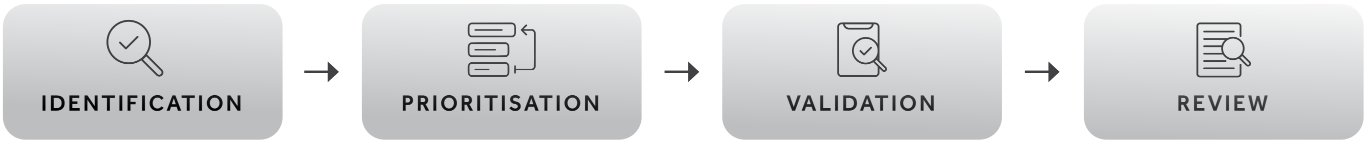
We acknowledge that as a responsible corporate citizen, we shall contribute to the growth of the community and the regions we operate. We have joined two local associations in Singapore that share our commitment to value creation in our industry and beyond. Our memberships in the following associations provide us with access to valuable resources and information that help us to continuously improve:

| Organisations | What They Do |
|---|---|
| SWA Singapore Water Association | Singapore Water Association ("**SWA**") provides a forum for collaboration and the inter-change of ideas and knowledge among member companies. It will be an arena for networking among members and dissemination of strategic information on emerging business opportunities and new technologies. SWA also serves as an important network link for members of the international water network; contributes to strengthening the presence of Singapore companies in the global market; and acts as a private sector forum for the industry. |
| Singapore Business Federation Apex Business Chamber | The Singapore Business Federation ("**SBF**") is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment, and industrial relations. It represents 28,000 companies, as well as key local and foreign business chambers. SBF champions the interests of the business community in Singapore and internationally, and acts as the bridge between business and the Government. |

## Materiality Assessment

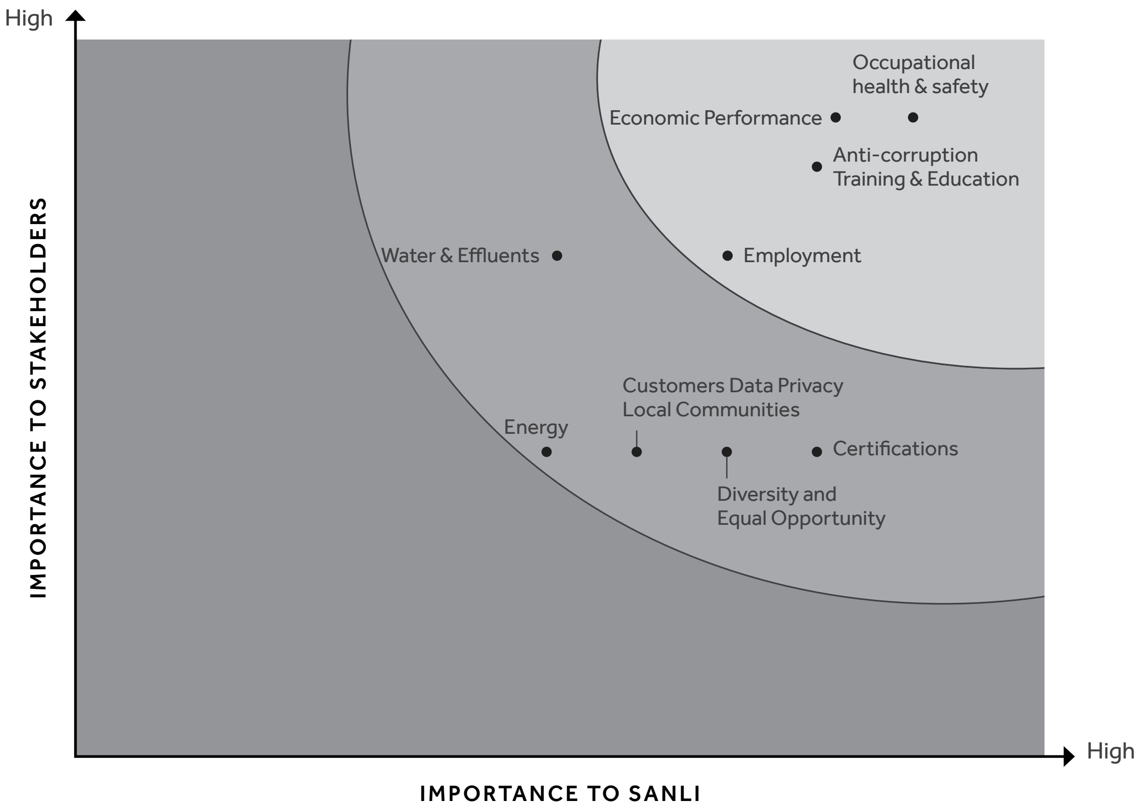
Materiality with respect to sustainability reporting, as defined by GRI standards, includes topics that reflect the organisation's significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Our sustainability process begins with the identification of relevant sustainability issues. The exhaustive list of relevant sustainability issues was then rated to see the level of stakeholders' interests of the sustainability issues which had been further evaluated by the Board and Sustainability Committee. Process of which is shown below:




In FY2023, the Group carried out a stakeholder engagement survey to evaluate the expectations and concerns of key stakeholders. This assessment identified 11 material EESG factors requiring focused management. During the Reporting Period, the Group reviewed the relevance of its previously prioritised material EESG factors to the business and stakeholders and reaffirmed that all 11 material factors remain pertinent in FY2025. We will continue to monitor and update our material EESG factors from time to time, taking into account the feedback that we receive from our various stakeholders.

Our prioritised material EESG factors can be seen in the two tiers of the materiality matrix below:



# Sustainability **Report**

## Economic

### ECONOMIC PERFORMANCE

Our commitment to sustainability is a long-term strategy that we believe will create value and benefit all stakeholders involved. We endeavour to maximise returns to shareholders by maintaining financial disciplines, strengthening our sustainability practices, reducing sustainability-related risks, managing our reputation, and performing continuous engagement with various stakeholders to ensure all voices are heard.

For detailed financial results and commentary on the significant trends and competitive conditions of the industry, please refer to the following sections in our Annual Report FY2025:


- Financial Highlights, page 9
- Financial Review, pages 10 to 11
- Financial Statements, pages 84 to 127


### ANTI-CORRUPTION

Sanli has implemented an Anti-Corruption and Anti-Bribery Policy that sets out a zero-tolerance stance towards all forms of bribery and corruption. The policy provides comprehensive guidance on mitigating risks related to gifts, hospitality, facilitation payments, and third-party due diligence. It also outlines the consequences of unethical conduct, which may include legal action, reputational damage, loss of customer trust, and weakened stakeholder relationships. Such violations can also undermine the organisation's ability to deliver long-term value and meet future needs effectively.

To promote awareness and consistent application of the policy, all employees receive training on anti-corruption practices upon joining the organisation and at regular intervals thereafter. The policy is also clearly communicated to suppliers, contractors, and other business partners to ensure alignment across the value chain. Employees are encouraged to report any suspected violations through the company's whistleblowing channel, which ensures confidentiality and protection against retaliation. All reported cases are escalated to the Audit Committee for appropriate follow-up and investigation.

Whistleblowing policy

Sanli has established a Whistleblowing Policy that provides a clear, secure, and confidential channel for reporting suspected misconduct, fraud, or unethical behaviour. This includes, but is not limited to, bribery, corruption, improper accounting or financial practices, weaknesses in internal controls, conflicts of interest, insider trading, and other violations of company policies or legal requirements. The policy is designed to facilitate the timely escalation of concerns by both employees and external parties, including customers and other stakeholders.

Whistleblowing reports can be submitted through designated channels, including email (whistleblowing@sanli.com.sg) or in-person meetings with the CFO or Human Resources Manager. All reports are treated with strict confidentiality, and individuals who raise concerns in good faith are protected from retaliation or any form of penalty. The policy aims to ensure that individuals feel safe and supported throughout the reporting process, thereby fostering a culture of accountability and integrity within the organisation.

# Sustainability **Report**

Our 3-Year Performance

In FY2025, we have zero disciplinary incidents, confirmed violations, and legal proceedings related to corruption arising from our relationships with employees, suppliers, customers, governments, and intermediaries among others, and accomplished the target we set last year.

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. Zero reported incidents of anti-corruption and whistleblowing. | Target met. Zero reported incidents of anti-corruption and whistleblowing. | Target met. Zero reported incidents of anti-corruption and whistleblowing. |

Our FY2026, Medium- and Long-Term Targets

We strive to regularly review our policies on whistleblowing and anti-corruption commitment and maintain zero reported incidents of anti-corruption and whistleblowing.

## Environmental

### CERTIFICATIONS

We have attained ISO management systems certification as part of our commitment to comply with environmental and socio-economic laws and regulations. As a testament to our commitment to maintaining high safety standards, we have been awarded the following certifications:

Sanli E&C Pte Ltd

- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety (ISO 45001)
- Workplace Health and Safety (bizSAFE Level STAR)

# Sustainability **Report**

Sanli M&E Engineering Pte Ltd

- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety (ISO 45001)
- Business Continuity Management (ISO 22301)
- Workplace Health and Safety (bizSAFE Level STAR)


CERTIFICATE

Sanli M&E Engineering Pte Ltd

ISO 9001 : 2015


CERTIFICATE

Sanli M&E Engineering Pte Ltd

ISO 14001 : 2015


CERTIFICATE

Sanli M&E Engineering Pte Ltd

ISO 45001 : 2018


CERTIFICATE

Sanli M&E Engineering Pte Ltd

ISO 22301 : 2019


bizSAFE STAR

CERTIFICATE

The Workplace Safety and Health Council is pleased to certify that

SANLI M&E ENGINEERING PTE. LTD.

has fulfilled the requirements to attain bizSAFE Level Star

This certificate is valid till 25/08/2027

Christopher Koh

General Manager

Workplace Safety and Health Council

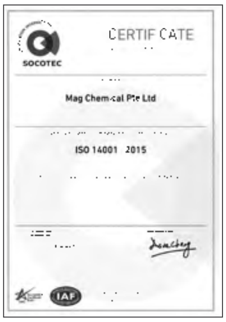
Mag Chemical Pte Ltd:

- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety (ISO 45001)
- Workplace Health and Safety (bizSAFE Level 3)


CERTIFICATE

Mag Chemical Pte Ltd

ISO 9001 : 2015


CERTIFICATE

Mag Chemical Pte Ltd

ISO 14001 : 2015


CERTIFICATE

Mag Chemical Pte Ltd

ISO 45001 : 2018


bizSAFE

CERTIFICATE

The Workplace Safety and Health Council is pleased to certify that

MAG CHEMICAL PTE. LTD.

has fulfilled the requirements to attain bizSAFE Level 3

This certificate is valid till 15/10/2027

Christopher Koh

General Manager

Workplace Safety and Health Council

Enviro Plant & Engineering Pte Ltd:

- Workplace Health and Safety (bizSAFE Level 3)


Date of issue: 22/10/2024

bizSAFE

CERTIFICATE

The Workplace Safety and Health Council
is pleased to certify that

ENVIRO PLANT & ENGINEERING PTE. LTD.

has fulfilled the requirements to attain bizSAFE Level 3

This certificate is valid till 21/10/2027

Christopher Koh
General Manager
Workplace Safety and Health Council

Certificate No. E46251

WSH360 Solutions Pte Ltd:

- Workplace Health and Safety (bizSAFE Level 4)


Date of issue: 14/10/2024

bizSAFE

CERTIFICATE

The Workplace Safety and Health Council
is pleased to certify that

WSH360 SOLUTIONS PTE. LTD.

has fulfilled the requirements to attain bizSAFE Level 4

This certificate is valid till 13/10/2027

Christopher Koh
General Manager
Workplace Safety and Health Council

Certificate No. E46183

## PROMOTING GREEN PRACTICE - GREEN BUILDING

a. We have built six panels of Greenwall with an area of L1200mm X H2750mm at Level 1 and three-sided Green Wall of L4500mm X H2000mm, L8200mm X H2000mm and L4500mm X H2000mm at HQ located at 22 Chin Bee Drive and a Lit Green Wall with an area of L2400mm X H13400mm and a two-sided of HyGroWall with an area of L6100mm X H3000mm at 28 Kian Teck Drive.

b. We have maintained the effort to fulfil the Skyrise Greenery Incentive Scheme ("**SGIS**") since FY2018.

   - The SGIS helped to clean outside air, pollutants, and dust that helps to offset the carbon footprint of people and fuel emissions.
   - The SGIS also helped to reduce the Volatile Organic Compounds' impact on indoor air quality and other harmful toxins such as benzene. It also acted as a soundproofing barrier and encouraged natural cooling that effectively reduced the heat transfer through building walls into the interior building space, leading to possible energy savings.
   - The system has improved the air ventilation within the premises by providing better air quality.

# Sustainability **Report**

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| During the year, we have attained and maintained ISO management systems certification. | We have attained and maintained ISO management systems certification. | We have attained and maintained ISO management systems certification. |

Our FY2026, Medium- and Long-Term Targets

We strive to continuously attain and maintain ISO management systems certification as part of our efforts to comply with environmental and socio-economic laws and regulations.

## ENERGY CONSUMPTION

The Group acknowledges that our energy consumption and the resultant Greenhouse Gas ("**GHG**") emissions contribute to climate change. We aim to reduce our environmental footprints and at the same time, establish operational resilience to deliver long-term sustainable value to our stakeholders. We strive to improve our energy use and efficiency through initiatives such as promoting the use of energy-efficient lighting and green-label photocopiers in the office, switching to LED lighting, and installing automatic light-on system on our premises.

During the Reporting Period, the Group expanded the energy-related disclosures to include diesel consumption, petrol consumption as well as direct Scope 1 GHG emissions for the first time.

In addition, we continued to monitor and manage our electricity consumption and related Scope 2 GHG emissions, which have been duly disclosed. These efforts strengthen the accuracy of our GHG inventory and align with our sustainability reporting practices, enabling us to better understand and reduce our environmental impact while reinforcing our commitment to climate action.

The types of energy used by the Group are as follows:

- Diesel and petrol – to power the Group's vehicles.
- Electricity – to use across the Group's office locations for lighting, cooling and office equipment.

Key statistics in relation to energy consumption and GHG emissions are as follows:

| Performance Indicator | FY2025 | FY2024 |
|---|---|---|
| Diesel consumption ('000 Litres) | 105 | N.A.[1] |
| Petrol consumption ('000 Litres) | 3 | N.A.[1] |
| Electricity consumption (MWh) | 374 | 217 |
| Total energy consumption (MWh) | 1,456 | 217 |
| Energy consumption intensity (kWh/employee) | 1,804 | 313 |
| GHG Scope 1 emissions (tonnes of $CO_2e$)[2] | 293 | N.A.[1] |
| GHG Scope 2 emissions (tonnes of $CO_2e$)[2] | 154 | 90.64 |
| Total GHG emissions intensity (tonnes of $CO_2e$/employee) | 0.55 | 0.13 |

1 FY2025 marks the inaugural year of tracking and disclosure, comparative figures are not available.
2 The calculation of direct (Scope 1) GHG emissions used emission factor values from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the calculation of indirect (Scope 2) GHG emissions was based on Electricity Grid Emission Factor published by Energy Market Authority.

In FY2025, electricity consumption at our headquarter office increased by 72%, rising to 374 MWh from 217 MWh in FY2024. This increase was primarily driven by the relocation to a larger office space, which requires additional energy to support the expanded floor area and operational demands. Higher electricity usage was also partly due to an increase in employee headcount, which rose to 807 in FY2025 (FY2024: 695).

Consequently, the Group's total GHG emissions intensity rose from 0.13 to 0.55 tonnes of $CO_2e$ per employee. This increase reflects both the higher electricity consumption linked to the larger office and the inclusion of Scope 1 GHG emissions in the reporting for the first time this year, which arises from diesel and petrol consumption.

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target not met. Our electricity consumption rose by 72% as compared to FY2024 due to relocation to larger office space. | Target not met. Electricity consumption level doubled as compared to FY2023. | Target met. Electricity savings by 1%. |

To enhance energy efficiency, the Group has implemented scheduled air-conditioning shutdowns to minimise unnecessary energy consumption. Energy meters and presence sensors have been installed to monitor workplace usage patterns. These technologies help determine optimal shutdown timings and enable automatic shutdowns when systems are left on unintentionally, thereby reducing energy wastage.

Our FY2026 Target

The Group has set a short-term target to maintain energy consumption intensity below 2,000 kWh per employee for FY2026 and plans to introduce medium- and long-term targets in subsequent reporting cycles, after gaining a clearer understanding of its baseline consumption under normal operating conditions to ensure that targets set are realistic and meaningful.

**WATER**

Sanli strives to reduce water consumption in its daily operations. The Group acknowledges the importance of monitoring water use and, in its second year of disclosure, has continued to track and monitor water consumption intensity to provide meaningful comparative figures for stakeholders.

| Performance Indicator | FY2025 | FY2024 | FY2023 |
|---|---|---|---|
| Water consumption (cubic meters) | 8,583 | 7,370 | 8,578 |
| Water consumption intensity (cubic meters/employee) | 10.64 | 10.60 | 15.89 |

During the Reporting Period, the Group's total water consumption increased by 16%, while water consumption intensity remains relatively stable at around 10.60 cubic meters per employee. This limited increase reflects the Group's ongoing efforts to manage water usage efficiently, including the installation of water meters on individual floors across its office, dormitory, and workshop zones. These meters provide accurate usage data, enabling the analysis of operational workflows and identification of opportunities to improve efficiency and minimise wastage. This underscores the Group's commitment to responsible water management as a conscientious corporate citizen.

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target not met. Water consumption exceeds 7,000 cubic meters. | The target was not met, as water consumption exceeded 2,000 cubic metres. | The Group consumed 8,578 cubic metres of water and has set target to keep water consumption below 2,000 cubic meters. |

Our FY2026 Target

We aim to maintain water consumption intensity below 12 cubic metres per employee by promoting water conservation through workplace signage and employee training initiatives. We also plan to introduce medium- and long-term targets in subsequent reporting, once more detailed information and data become available to support meaningful and achievable target-setting.

## Social

As part of our sustainability efforts, Sanli is dedicated to upholding the highest ethical business conduct and social standards. This includes alignment to labour and human rights principles, such as non-discrimination, fair labour practices, and diversity and equal opportunities.

In embedding our commitments, we have in place a whistleblowing policy that elaborates our grievance and remedy processes for financial misappropriation. We also have a remuneration policy formulated to attract, retain, and motivate talent to achieve the Company's business objective and create sustainable value for its stakeholders. Furthermore, we embed our social and environmental commitments by following effective environmental management systems (ISO 14001) and Occupational Health and Safety (ISO 45001) standards as part of our responsible Company goals.

We strive to ensure that our business activities do not infringe upon fundamental human and labour rights and aim to preserve the dignity of individuals within our workforce. We are committed to continuous improvement in this area. We recognise that human and labour rights are essential elements of sustainable development, and we are proud to take part in prioritising and upholding the principles as outlined in the United Nations ("**UN**") Global Compact.

## OCCUPATIONAL HEALTH AND SAFETY

Our Workplace, Health and Safety department is independent of the operational departments and is responsible for monitoring the workplace to provide a safe working environment for all our staff and clients and carries the responsibility to train workers on occupational health and safety. A toolbox briefing, in accordance with the Workplace Safety and Health Council's Effective Toolbox Meeting guideline, is held at each worksite every morning for our workers. A toolbox talk is an informal safety meeting that is part of the Group's overall safety training program, which covers special topics on safety aspects related to a specific job, including the handlings of work-related hazards, hazardous activities, or hazardous situations. Toolbox meetings are generally conducted at the job site prior to the commencement of a job or work shift. Meetings are normally short in duration and cover topics such as workplace hazards, and safe work practices. It is one of the very effective methods to refresh workers' knowledge of workplace safety, cover last-minute safety checks, and exchange information with experienced workers.

We have established a strict set of workplace, health, and safety management policies applicable to our project managers, engineers, supervisors, foremen, workers, and subcontractors for all projects. These policies cover all stages of our projects, from the time we occupy the worksites, up to the point of completion of the projects. In addition, our policies cover all environmental aspects and occupational health and safety hazards that are within our control or management, as well as those beyond our direct control but likely to impact our projects.

Strengthening the Group's commitment, the Group has introduced several new initiatives to enhance its Workplace Safety and Health culture through the implementation and improvement of key programmes during the year. Below are the initiatives rolled out in FY2025:

a. <u>Continuation of the ReportBack Programme</u>

The ReportBack Programme encourages workers and supervisors to report near-misses, unsafe conditions, and unsafe acts. This proactive approach improves hazard identification and allows the organisation to address potential risks early.

b. <u>WSH Advocate Programme – "The Influencer"</u>

This initiative empowers frontline workers and supervisors with strong safety leadership qualities. These WSH Advocates act as role models, promoting safe behaviour and sharing safety observations with their peers.

c. <u>Buddy System for New Workers</u>

New workers are paired with experienced staff for guidance, mentorship, and safety coaching during their initial period on-site. This system promotes safe acclimatisation and helps new workers understand site-specific risks.

d. <u>Corrective Action Worker ("**CAW**") Programme</u>

Selected workers follow up on corrective actions from inspections, audits, or incident investigations. This ensures timely closure of safety issues and promotes ownership of safety within the workforce.

e. <u>Health, Safety, and Environmental ("**HSE**") Promotion and Campaigns</u>

Regular HSE campaigns were run throughout the year. These campaigns focus on high-risk activities like working at height, lifting, and confined space entry, using posters, videos, toolbox talks, and quizzes.

f. HSE e-Learning Platform

An online platform was introduced to allow employees easy access to HSE training modules. The platform includes interactive courses, scenario-based learning, and assessments for better knowledge retention.

g. Development of HSE Training Facilities

The Group invested in training facilities with practical simulation setups. These facilities provide hands-on training in areas such as first aid, fire safety, and confined space entry.

In addition, the Group has also implemented several enhanced safety measures to improve workplace health and safety performance. These included conducting new and refresher training sessions for all staff on incident prevention, emergency response, and first aid; reviewing and updating risk assessments to align with new work processes and regulatory changes; and regularly engaging subcontractors and vendors through safety briefings and joint inspections to ensure alignment with the Group's safety standards.

Our employees' health and safety need to be central across our operations. Our commitment to the goal of achieving zero fatalities is unwavering - as no single fatality is acceptable, given the practical and reasonable measures adopted to eliminate workplace fatalities, injuries, and work-related ill health.

Our 3-Year Performance

| **FY2025** | **FY2024** | **FY2023** |
|---|---|---|
| Target met. Zero fatal accidents and major incidents of health, safety and environment non-conformity, accident, and ill health. | Target met. Zero fatal accidents and major incidents of health, safety and environment non-conformity, accident, and ill health. | Target met. Zero fatal accidents and major incidents of health, safety and environment non-conformity, accident, and ill health. |

Our safety data only accounts for the employee of our Group.

Our FY2026, Medium- and Long-Term Targets

We aim to have zero fatal accidents and major incident of health, safety and environment non-conformity, accident, and ill health.

## EMPLOYMENT

The Group regards our employees as our greatest asset. It is because of them that we are able to achieve success and growth. It is important for us to maintain continuous employee development, provide competitive employee benefits and ensure fair and safe working conditions, so that we retain our staff and are positioned as an attractive organisation for new talent. Remuneration policies and packages are reviewed regularly to ensure that the compensation and benefits are in line with the market and that the employees are rewarded for their contributions, thus aligning the interests of the employees to those of the Group's.

Variable bonuses are granted to eligible employees based on the individual employee's contribution to the Group, profitability of the Group, current economic/business situation, government's wage guidelines, and internal and external salary equality. Contributions to retirement benefit schemes are offered as part of the remuneration package in accordance with The Retirement Age Act. The official retirement age is 63 years old but may be extended based on mutual agreement between the Company and the employee. In FY2025, we have 15 (FY2024: 14) employees who are above 63 years old. The Group will also continue to recruit and groom young talent while acquiring senior experienced professionals.

# Sustainability **Report**

In FY2025, we have a staff strength of 807 (FY2024: 695)[1] permanent employees and 12 (FY2024: 11) temporary/contractual employees. With such strength, we are committed to leverage and preserve our human capital across diverse gender, age groups and nationalities across our operations. Such emphasis on workforce has been indicated by our recent materiality assessment exercise where our stakeholders found the topic as relevant.

| | FY2025 | | FY2024 | |
|---|---|---|---|---|
| **New Hire Rate** | **#** | **%** | **#** | **%** |
| **Gender** | | | | |
| Male | 239 | 30 | 294 | 42 |
| Female | 24 | 3 | 22 | 3 |
| **Age Group** | | | | |
| < 30 Years Old | 72 | 9 | 121 | 17 |
| 30 – 50 Years Old | 163 | 20 | 170 | 24 |
| > 50 Years Old | 28 | 3 | 25 | 4 |
| **Region** | | | | |
| Singapore | 186 | 23 | 263 | 38 |
| Malaysia | 71 | 9 | 35 | 5 |
| Myanmar | 6 | 1 | 18 | 3 |

| | FY2025 | | FY2024 | |
|---|---|---|---|---|
| **Turnover Rate** | **#** | **%** | **#** | **%** |
| **Gender** | | | | |
| Male | 134 | 17 | 141 | 20 |
| Female | 17 | 2 | 15 | 2 |
| **Age Group** | | | | |
| < 30 Years Old | 45 | 6 | 52 | 7 |
| 30 – 50 Years Old | 87 | 11 | 92 | 13 |
| > 50 Years Old | 19 | 2 | 12 | 2 |
| **Region** | | | | |
| Singapore | 116 | 14 | 124 | 18 |
| Malaysia | 29 | 4 | 21 | 3 |
| Myanmar | 6 | 1 | 11 | 2 |

During the Reporting Period, the overall new hire rate decreased by 12%, compared to a 4% increase in FY2024. This decline was primarily due to a more cautious hiring approach, with recruitment closely aligned to actual project requirements. Meanwhile, the turnover rate declined to 3% (FY2024: 13%), reflecting a more stable workforce and the positive impact of ongoing employee retention initiatives.

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. The overall turnover rate has decreased to 19%. | Target met. The overall turnover rate was recorded at 22%. | The overall turnover rate was recorded at 35%. |

Our FY2026, Medium- and Long-Term Targets

We strive to reduce our existing turnover rate and attract more skilled and diverse talents.

1 Accounts for full time and part time employees across Singapore, Malaysia, and Myanmar regions as of 31 March.

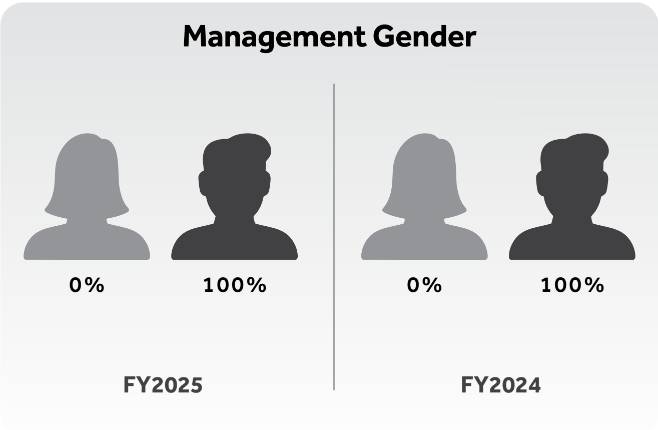
# Sustainability **Report**

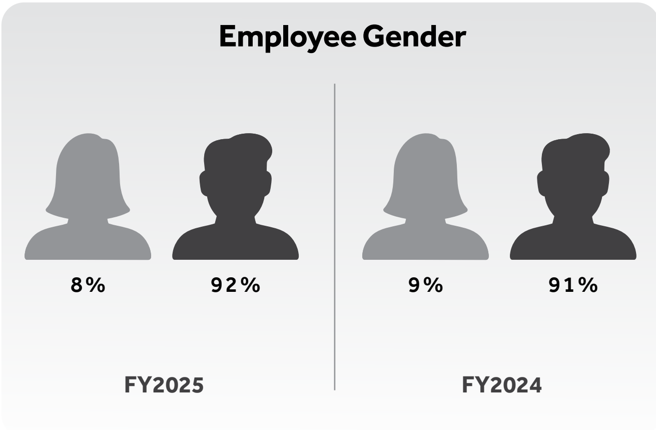
**DIVERSITY AND EQUAL OPPORTUNITY**

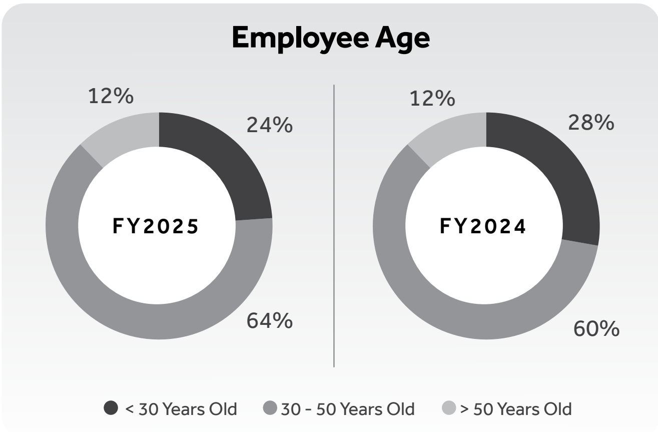
Board Diversity

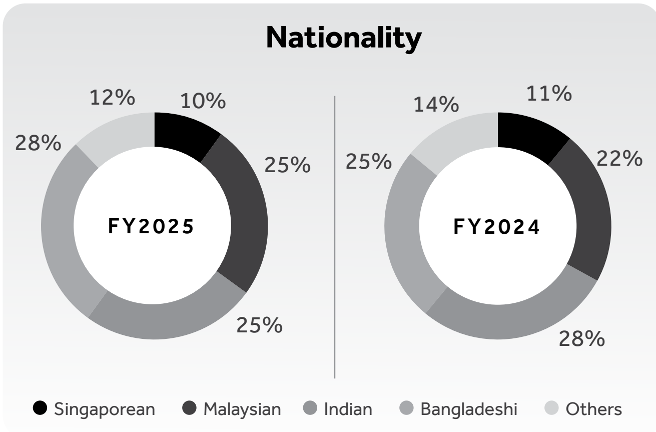
As part of our commitment to sustainability, Sanli is dedicated to upholding Board diversity within our organisation. We believe that having a diverse range of perspectives and experiences at the strategic and decision-making level is crucial for the long-term success of Sanli.

We are actively working to ensure that our Board is reflective of the diverse communities we serve. This includes seeking out and considering candidates from all backgrounds and experiences and promoting diversity and inclusion throughout our organisation. At the date of this Report, the Board has six male directors with a broad range of relevant professional, business, and industry experiences. For more detailed information of our Board diversity age, and other indicator, please refer to our Corporate Governance Report on pages 45 to 74. Sanli's staff recruitment and annual appraisals are conducted based on performance, work attitude, cooperation with other staff and workers and efficiency and effectiveness of work. The Group does not discriminate against one's race, age, gender, religion, ethnicity, disability, or nationality.



# Sustainability **Report**

In FY2025, the Group organised a diverse range of activities to promote employee engagement, and team bonding, including holiday celebrations such as Staff Appreciation Chinese New Year Lunch, fostering a vibrant and inclusive workplace environment.

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. Zero complaints on discrimination. | Target met. Zero complaints on discrimination. | Target met. Zero complaints on discrimination. |

Our FY2026, Medium- and Long-Term Targets

We strive to have zero complaints on discrimination and continue to maintain appropriate diversity and equal opportunity for all employees.

## TRAINING AND EDUCATION

There were 81 training programmes (FY2024: 73) being conducted with a total of 11,580 training hours attended by employees in FY2025 (FY2024: 10,164). There were 830 employees attended the training programmes (FY2024: 681) which contributed to 14 (FY2024: 14.92) average training hours per employee.

The decrease in average training hours per employee is primarily attributed to a higher headcount, which spread the training hours across a larger workforce. Furthermore, several training courses have validity periods ranging from two to four years, or lifetime validity, this would mean fewer employees were required to retake such training courses during the Reporting Period. Additionally, some new hires have already held relevant valid certifications, reducing the need for repeat training and hence contributing to the lower average training hours per employee.

# Sustainability **Report**

| **Average Training Hours per Category** | **FY2025** | **FY2024** |
|---|---|---|
| Assistant | 25.5 | 24.4 |
| Coordinator | 17.6 | 15.4 |
| Director | 15.0 | 4.0 |
| Engineer | 19.7 | 24.8 |
| Executive | 15.7 | 12.0 |
| Foreman | 11.1 | 16.7 |
| Manager | 17.7 | 18.0 |
| Modeller | 16.0 | 0.0 |
| Officer | 17.3 | 9.1 |
| Supervisor | 13.7 | 17.9 |
| Welder | 7.5 | 10.8 |
| Worker | 13.3 | 13.8 |

Further broken down to gender, the average training hours for male employees was 14 hours (FY2024: 14.77) and female employees was 19 hours (FY2024: 22.92). The above table is the breakdown of average training hours per attendee categories.

Sanli's commitment to training and education is unwavering. Due to the nature of our industry, we have more male employees compared to female employees, and hence more training sessions were conducted for workers to learn the Construction Safety Orientation Course ("**CSOC**") to apply Workplace Safety and Health ("**WSH**") in Construction Sites.

The following course objectives (not exhaustive) were attained during FY2025:

- To enable WSH Coordinator or Supervisor to acquire the knowledge and be equipped with the application skills to supervise WSH in the construction industry.
- To adhere to Ministry of Manpower/Workplace Safety and Health Council that requires workers in the construction industry to attend and pass the CSOC to ensure that they have attained key knowledge to work safely.
- To obtain knowledge about legal obligations of duty holders, including a project manager of a worksite, under the new WSH framework.
- To train individuals to render first aid treatment to the casualty during an emergency or accident at the workplace.
- To equip duty knowledge and expertise an entrant and attendant when working in a confined space, use gas detection instruments and participate in an emergency situation.

Our 3-Year Performance

| **FY2025** | **FY2024** | **FY2023** |
|---|---|---|
| Target met. Developed our employees through relevant training initiatives. | Target met. Developed our employees through relevant training initiatives. | Developed our employees through relevant training initiatives. |

Our FY2026, Medium- and Long-Term Targets

We strive to continue develop our employees through relevant training initiatives.

# Sustainability **Report**

## CUSTOMER PRIVACY

Sanli adopts an innovative and data-driven outlook in order to make business decisions and create value for our stakeholders for our long-term sustainability. However, we remain pragmatic in addressing the governance of customer data and potential data breaches. Data breaches may lead to hefty fines, loss of customers trust, and damage to our reputation. We prioritise customer privacy by adhering to relevant laws and regulations and ensuring our database to be protected by ongoing firewall to prevent unintended and malicious hacking activities.

In FY2025, the Group appointed our corporate General Manager as the Data Protection Officer ("**DPO**") to oversee and ensure compliance with data protection regulations. Employees and stakeholders can reach out for any data-related concerns or inquiries via the DPO's dedicated email at dpo@sanli.com.sg. Furthermore, as part of the onboarding process, all new employees undergo an orientation briefing, which includes a detailed overview of data protection policies. Employees are also required to acknowledge and adhere to the "Confidentiality" clause outlined in the Employee Handbook, reinforcing the importance of safeguarding sensitive information throughout their employment.

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. No substantiated complaints received concerning breaches of data privacy, including data leaks, thefts, and losses. | Target met. No substantiated complaints received concerning breaches of data privacy, including data leaks, thefts, and losses. | Target met. No substantiated complaints received concerning breaches of data privacy, including data leaks, thefts, and losses. |

Our FY2026, Medium- and Long-Term Targets

We strive to have zero substantiated complaints concerning data privacy breaches, leaks, thefts, and losses.

## LOCAL COMMUNITIES

Achieving business objectives remains a key priority for the Group, but we also strive to make a meaningful and lasting impact on the community. Through ongoing community engagement and sustainability initiatives, we play an active role as a responsible corporate citizen that uplifts live and contributes to a better, more sustainable future for all.

During this Reporting Period, the Group has partnered up with Waterways Watch Society for a meaningful Waterway Cleanup activity, reinforcing our commitment to environmental sustainability and community engagement.

The event saw participation from over 72 employee volunteers, starting with an educational briefing and a video on water conservation and the impact of individual actions. Guided by the Waterways Watch Society, our team successfully collected more than 98 kg of waste, helping to restore the waterway's cleanliness and natural beauty. This initiative not only contributed to environmental preservation but also fostered team spirit and raised awareness of the importance of protecting our water resources.

# Sustainability **Report**

Our 3-Year Performance

| FY2025 | FY2024 | FY2023 |
|---|---|---|
| Target met. One environmental sustainability and community engagement activity was conducted in December 2024. | Target met. One charity event was conducted in March 2024. | Target not met. No charity events conducted due to COVID-19. |

Our FY2026, Medium- and Long-Term Targets

We will continue to seek opportunities to contribute and foster a corporate culture that cares about giving back to the community.

## Climate-Related Disclosures

The Group recognises the importance of addressing potential climate-related risks and capitalising opportunities relevant to our business operations and we believe that our climate-related disclosures will enhance transparency and accountability in our efforts towards mitigating climate change. We are guided by the TCFD Recommendations for our climate-related disclosures, which is to be read together with our Sustainability Report, Corporate Governance, and Annual Report FY2025.

| TCFD Pillars | Disclosures |
|---|---|
| Governance | The Board recognises the importance of addressing climate change issue as part of our commitment to sustainable business. Our climate-related governance disclosure outlines the accountability of our Board and Management in overseeing and managing climate-related matters in alignment with the TCFD Recommendations.<br><br>**Board's ultimate oversight on climate-related risks and opportunities:**<br><br>• The Board is ultimately responsible for oversight of Group's climate-related issues across various operations and is supported by the SC to provide focused attention on climate-related matters.<br>• The Board considers climate change issues in determining the Group's strategic direction and integrates it into the overall business strategy.<br>• The Board also oversees and monitors relevant practices, policies, and performance targets setting revolving climate matters and ensuring climate-related discussions are taken in place during board meetings to enhance our business resilience towards climate change.<br><br>**Management's role in strategic management of climate-related risks and opportunities:**<br><br>• The SC, chaired by the CEO and comprises of the CFO, General Manager (Corporate) and Group Health, Safety and Environmental Department Manager, is responsible for driving the Group's overarching sustainability and climate-related strategy in the day-to-day operations.<br>• The SC members in their respective functions are in charge of evaluating climate risks and opportunities, implementing, and monitoring climate-related initiatives and performance across the Group.<br>• The SC reports directly to the Board and holds regular meetings to discuss and assess climate-related issues. |

| TCFD Pillars | Disclosures |
|---|---|
| Strategy | Sanli is committed to building a resilient and adaptable business capable of navigating climate-related challenges. To achieve this, we prioritise the identification and management of climate-related risks that may impact our operations while leveraging opportunities arising from the global transition to a low-carbon economy. We continue to assess evolving risks and opportunities and remain dedicated to refining our strategies to enhance their effectiveness and drive meaningful climate action. |

**Scenario Analysis**

To assess the potential impacts of climate change on our operations, we conducted a qualitative scenario analysis to evaluate the associated risks and opportunities under two distinct climate scenarios.

The first scenario reflects a coordinated global response to climate change, characterised by international cooperation and commitments to limit temperature increases. Under this scenario, we analysed climate-related risks assuming that global temperature rise is kept well below 2°C above pre-industrial levels by the end of the century.

The second scenario assumes minimal mitigation efforts and limited policy interventions, resulting in a high-emission pathway. In this case, we assessed the potential risks associated with a projected global temperature increase of approximately 4°C over the same period.

This analysis provides valuable insights into the potential challenges and opportunities posed by climate change, enabling us to develop informed strategies to enhance the resilience of our operations.

| Scenario | Paris Agreement-aligned scenario (2°C) | No mitigation scenario (4°C) |
|---|---|---|
| Rationale | This scenario was selected to evaluate the potential impacts of an economy transitioning to a low-carbon future. It aligns with the necessary actions required to limit global warming to below 2°C within this century. | This scenario was selected to evaluate our exposure to risks in a high-emission environment, aligned with a future characterized by minimal policy interventions aimed at reducing emissions. |
| Underlying model | Intergovernmental Panel on Climate Change ("**IPCC**") Representative Concentration Pathway 2.6 | IPCC Representative Concentration Pathway 8.5 |
| Assumptions made | 1. Introduction to strong climate policies such as introduction of carbon tax<br>2. Phasing out of fossil fuel by 2050 in net-importers and net-exporter by 2035<br>3. Increased use of renewable energy<br>4. Increased regulatory requirements by local statutory and regulatory board<br>5. Shift in suppliers and customers partnership criteria | 1. Increase in global temperature by about 3.7 to 4.8°C above pre-industrial levels<br>2. Global emissions to increase drastically by year 2100<br>3. More frequent and intense heat waves<br>4. Increase variability of precipitation, as well as higher risk to flood |

| TCFD Pillars | Disclosures |
|---|---|

**Climate-related Risks and Opportunities**

Based on the above scenario analysis and our continued evaluation of climate-related risks and opportunities, we have maintained our assessment approach from FY2024. This ongoing analysis has allowed us to identify and assess potential financial implications of climate-related risks and opportunities over the short- to medium-term (Year 2025-2030) and medium- to long-term (Year 2030-2050), as follows:

**Strategy**

| Climate Risks and Opportunities | Description | Timeframe |
|---|---|---|
| Transition risk: Policy and legal risk | Under the 2°C scenario, policy changes such as the expansion of carbon tax coverage under the Singapore Carbon Pricing (Amendment) Act 2022 and increasing carbon tax rates may result in higher operating costs. To mitigate these impacts, the Group will explore energy-saving and efficiency measures, including upgrading equipment and adopting energy-efficient technologies to reduce carbon emissions. | Short- to medium-term |
| Transition risk: Reputational risk | Enhanced climate reporting requirements in a 2°C scenario may result in increased compliance costs, and non-compliance with regulatory mandates could negatively impact the Group's reputation. To mitigate this, we will focus on providing training for staff responsible for climate reporting, ensuring a thorough understanding of reporting requirements and methodologies. | Short- to medium-term |
| Transition risk: Shifts in consumer preference | The transition to a low-carbon economy, driven by increasing demand and shifting consumer preferences for sustainable products and services, will require the Group to focus on offering a diverse range of low-carbon-emission products and services under the 2°C scenario. | Short- to medium-term |
| Physical risk: Chronic physical risk | In a 4°C scenario, unmitigated rising sea levels and changing mean temperatures would impact business operations and supply chains. Meanwhile, the Group will strive to educate employees on the effects of rising temperatures, fostering sustainability awareness, and promoting a culture of responsibility. | Medium- to long-term |
| Physical risk: Acute physical risk | The increased frequency and severity of extreme weather events, such as floods, may cause damage to infrastructure, equipment, and disrupt supply chains and project sites, particularly under the 4°C scenario. To manage these risks, we stay informed about climate forecasts and identify vulnerable areas, which helps guide our decision-making on asset locations and mitigation strategies. | Medium- to long-term |
| Climate-related opportunity: Development of low-carbon emissions products and services | As the Singapore Government intensifies its efforts on climate change, environmental protection, and renewable energy in the 2°C scenario, the Group is exploring potential business opportunities focused on low carbon emission solutions and renewable energy to align with increasing stakeholder expectations for low carbon development. | Medium- to long-term |

The Group will continue to strengthen its internal capabilities and enhance its disclosures to ensure a more accurate, transparent, and comprehensive representation of its climate-related risks and opportunities. This ongoing effort reflects our commitment to improving climate resilience and aligning with evolving regulatory.

| TCFD Pillars | Disclosures |
|---|---|
| **Risk Management** | Sanli recognises ERM as a fundamental component of effective corporate governance and resource management. To uphold a robust risk management framework and safeguard shareholders' interests, the Group has established an ERM process designed to systematically identify, prioritise, assess, manage, and monitor key risks. This framework enables the Board to evaluate operational, financial, compliance, and information technology risks in alignment with the Group's business objectives, strategies, and critical success factors.<br><br>During the Reporting Period, the Group assessed and reviewed its risk management framework, identifying risks relevant to its operations. These risks, including but not limited to climate-related risks, are integrated into our risk register and ERM process. We remain committed to continuously refining our approach and will provide updates on our progress in this area.<br><br>The Group currently does not have a dedicated Risk Management Committee, the Board assumes overall responsibility for risk management and internal controls. Management conducts regular reviews of the Group's operational and business activities to identify significant risks and implement appropriate mitigation measures. All major control policies and procedures are reviewed, with significant findings and key matters reported to the Board and the Audit Committee for further discussion and oversight. |
| **Metrics & Targets** | The Group has taken into account the following metrics and, for the first time, disclosed our Scope 1 GHG emissions, while continuing to report our Scope 2 GHG emissions. This allows us to effectively communicate and monitor our climate-related performance, ensuring transparency and accountability to our stakeholders. This is in line with our strategy and risk management process over climate-related risks identified in this climate-related disclosure:<br><br>• Diesel consumption ('000 litres)<br>• Petrol consumption ('000 litres)<br>• Electricity consumption (MWh)<br>• Total energy consumption (MWh)<br>• Total energy consumption intensity (kWh/employee)<br>• GHG Scope 1 and 2 emissions (tonnes of $CO_2e$)<br>• Total GHG emissions intensity (tonnes of $CO_2e$/employee)<br>• Water consumption (cubic meters) and water consumption intensity (cubic meters/employee)<br><br>In line with our commitment to tackling climate change, Sanli has also set climate-related targets as follows:<br><br>• Energy: To maintain energy consumption intensity below 2,000 kWh per employee.<br>• Water: To maintain water consumption intensity below 12 cubic metres per employee by promoting water conservation through workplace signage and employee training initiatives.<br><br>We will work towards disclosing material Scope 3 emissions on other categories relevant to the Group and where data is available in the near future. |

# Sustainability **Report**

## GRI Content Index

| Statement of use | Sanli Environmental Limited has reported the information cited in this GRI content index for the period 1 April 2024 to 31 March 2025 with reference to the GRI Standards. | |
|---|---|---|
| GRI 1 used | GRI 1: Foundation 2021 | |
| **GRI STANDARD** | **DISCLOSURE** | **LOCATION** |
| **GRI 2: General Disclosures 2021** | 2-1 Organizational details | Page 01 |
| | 2-2 Entities included in the organization's sustainability reporting | Page 17 |
| | 2-3 Reporting period, frequency and contact point | Pages 17-18 |
| | 2-4 Restatements of information | N/A |
| | 2-5 External assurance | Page 17 |
| | 2-6 Activities, value chain and other business relationships | Page 01 |
| | 2-7 Employees | Pages 33-36 |
| | 2-8 Workers who are not employees | Page 34 |
| | 2-9 Governance structure and composition | Page 48 |
| | 2-10 Nomination and selection of the highest governance body | Pages 51-55 |
| | 2-11 Chair of the highest governance body | Page 51 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 19 |
| | 2-13 Delegation of responsibility for managing impacts | Page 19 |
| | 2-14 Role of the highest governance body in sustainability reporting | Page 19 |
| | 2-15 Conflicts of interest | Pages 46 and 73 |
| | 2-16 Communication of critical concerns | Pages 22-23 and 25 |
| | 2-17 Collective knowledge of the highest governance body | Page 17 |
| | 2-18 Evaluation of the performance of the highest governance body | Pages 51-55 and 60 |
| | 2-19 Remuneration policies | Pages 62-65 |
| | 2-20 Process to determine remuneration | Pages 61-62 |
| | 2-21 Annual total compensation ratio | Unable to disclose due to confidentiality constraints |
| | 2-22 Statement on sustainable development strategy | Page 17 |
| | 2-23 Policy commitments | Page 31 |
| | 2-24 Embedding policy commitments | Page 31 |
| | 2-25 Processes to remediate negative impacts | Page 25 |
| | 2-26 Mechanisms for seeking advice and raising concerns | Pages 22 and 25 |
| | 2-27 Compliance with laws and regulations | Page 21 |
| | 2-28 Membership associations | Page 23 |
| | 2-29 Approach to stakeholder engagement | Pages 22-23 |
| | 2-30 Collective bargaining agreements | N/A |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | Page 24 |
| | 3-2 List of material topics | Page 24 |
| | 3-3 Management of material topics | Pages 25-39 |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | Page 25 |
| **GRI 205: Anti-corruption 2016** | 205-3 Confirmed incidents of corruption and actions taken | Page 26 |

# Sustainability **Report**

| Statement of use | Sanli Environmental Limited has reported the information cited in this GRI content index for the period 1 April 2024 to 31 March 2025 with reference to the GRI Standards. | |
|---|---|---|
| **GRI 1 used** | **GRI 1: Foundation 2021** | |
| **GRI STANDARD** | **DISCLOSURE** | **LOCATION** |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organization | Pages 29-30 |
| | 302-2 Energy intensity | Page 30 |
| **GRI 303: Water and Effluents 2018** | 303-5 Water consumption | Page 31 |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | Page 30 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Page 30 |
| | 305-4 GHG emissions intensity | Page 30 |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | Page 34 |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | Pages 32-33 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Pages 32-33 |
| | 403-3 Occupational health services | Pages 32-33 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Pages 32-33 |
| | 403-5 Worker training on occupational health and safety | Pages 32-33 |
| | 403-9 Work-related injuries | Page 33 |
| | 403-10 Work-related ill health | Page 33 |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | Pages 36-37 |
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | Pages 35-36 |
| **GRI 406: Non-discrimination** | 406-1 Incidents of discrimination and corrective actions taken | Page 36 |
| **GRI 413: Local Communities 2016** | 413-1 Operations with local community engagement, impact assessments, and development programs | Pages 38-39 |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 38 |

# Corporate Governance **Report**

The Board of Directors (the "**Board**" or "**Directors**") of Sanli Environmental Limited (the "**Company**" and together with its subsidiaries, the "**Group**") recognises the importance of corporate governance to shareholders and is committed to ensuring the practices recommended in the Code of Corporate Governance 2018 (the "**Code**") and the accompanying practice guidance as published by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Guide**") are practiced throughout the Group. The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which will maximise long-term shareholders' value and protect the interests of shareholders.

For the financial year ended 31 March 2025 ("**FY2025**"), the Company has adhered to the principles and guidelines set out in the Code and the Guide, where applicable, and will continue to review its practices on an ongoing basis. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide and explain how practices it had adopted are consistent with the intent of the relevant principle.

The Company will also continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST.

## Board Matters

### THE BOARD'S CONDUCT OF AFFAIRS

*Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. The Board as a whole brings a wide range of business, financial and legal experience relevant to the Group.

The principal functions of the Board, apart from its statutory responsibilities, are to:

(a) To set and direct strategic plans and performance objectives of the Group, to provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) To establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding shareholders' interests and the Company's assets;

(c) To review Management performance and advice on the Group's policies and procedures;

(d) To conduct periodic reviews of the Group's internal controls, financial performance, compliance practices and resource allocation;

(e) To review and approve financial plans and financial results, annual budgets, proposals for acquisitions, investments and disposals, material borrowings, fundraising exercises and announcements;

(f) To identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(g) To set the Group's values and standards, including ethical standards, and ensure that obligations to shareholders and other stakeholders are understood and met;

(h) To consider sustainability issues that impact the economy, environmental and social factors, as part of its strategic formulation;

(i) To review the performance and succession planning of the key management personnel;

(j) To monitor and ensure the Group's compliance with good corporate governance practices; and

(k) Set the appropriate tone-from-the-top and desired organisational culture for the Company's values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met.

Every Director, in the course of carrying out his duties, acts in good faith, provides insights and considers at all times, the interests of the Company. The Board is a representation of the shareholders in the Company and is accountable to them through effective governance of the business. The Company has in place an internal code of conduct and ethics and discipline policy to provide guidance to all officers and employees of the Group in resolving ethical questions that may arise in the course of their work.

In order to address and manage conflicts of interest, Directors are required to promptly declare any actual, potential and perceived conflict of interest, in relation to a transaction or proposed transaction at a Board meeting or by written notification to the company secretary (the "**Company Secretary**"). In addition, the Company has in place procedures for Directors to give general notice of any interests in any corporation or firm, in order to anticipate possible conflicts of interest between the Director and the Group. This procedure is conducted upon appointment and annually, prompting Directors to update any change in interests and/or confirm its previous disclosures. Directors that are in conflict of interest with the Company, whether actual or potential, are required to inform the Board immediately and recuse themselves from discussions and abstain from voting on the matter.

To facilitate effective management of the Group's affairs, the Audit Committee (the "**AC**"), Remuneration Committee (the "**RC**") and Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"), have been constituted to assist the Board in the discharge of specific responsibilities. The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The role and function of each committee is described in subsequent sections in this report. The compositions of the Board Committees are as follows:-

| | AC | NC | RC |
|---|---|---|---|
| **CHAIRMAN** | Chan Hock Leong | Latiff Bin Ibrahim | Ng Lip Chi, Lawrence |
| **MEMBER** | Ng Lip Chi, Lawrence | Ng Lip Chi, Lawrence | Chan Hock Leong |
| **MEMBER** | Latiff Bin Ibrahim | Chan Hock Leong | Latiff Bin Ibrahim |
| **MEMBER** | – | Sim Hock Heng | – |

The schedule of all Board and Board Committees meetings and the Annual General Meeting (the "**AGM**") for each financial year is planned well in advance, in consultation with the Directors. The Board will meet at least two (2) times a year at regular intervals and on an ad-hoc basis where warranted by the circumstances. The constitution of the Company (the "**Constitution**") also provides for telephonic and video-conference meetings. In addition to holding meetings, important matters regarding the Group are also put to the Board for decision making by way of written resolutions.

# Corporate Governance **Report**

The number of Board and Board Committees meetings held during FY2025 and the attendance of each Director, where relevant, are as follows:-

| | Board | | AC | | NC | | RC | |
|---|---|---|---|---|---|---|---|---|
| | Number Of Meetings | | Number Of Meetings | | Number Of Meetings | | Number Of Meetings | |
| **Name Of Director** | **Held** | **Attended** | **Held** | **Attended** | **Held** | **Attended** | **Held** | **Attended** |
| Kew Boon Kee | 5 | 5 | NA | NA | NA | NA | NA | NA |
| Sim Hock Heng | 5 | 5 | NA | NA | 1 | 1 | NA | NA |
| Lee Tien Chiat | 5 | 5 | NA | NA | NA | NA | NA | NA |
| Ng Lip Chi, Lawrence | 5 | 5 | 2 | 2 | 1 | 1 | 1 | 1 |
| Chan Hock Leong | 5 | 5 | 2 | 2 | 1 | 1 | 1 | 1 |
| Latiff Bin Ibrahim | 5 | 4 | 2 | 2 | 1 | 1 | 1 | 1 |

**Note:**
NA: Not Applicable.

Directors are involved in the supervision of the management of the Group's operations. The Company has internal guidelines and approval limits for operational, financial and capital expenditure requirements. Under these guidelines, the matters which specifically require the Board's decision or approval are those involving:

- Material acquisitions or disposals of assets, major funding proposals and investments and divestment proposals;
- Corporate strategy and business plans;
- Share issuance, recommending dividend payments and other returns to shareholders;
- Annual budgets, half-year and full-year financial results announcements, annual reports and audited financial statements for each financial year;
- The appointment and remuneration packages of the Directors and key management personnel;
- Approving appointments to the board and the various board committees;
- Material interested person transactions, matters involving conflict of interest for a substantial shareholder or a Director and assuming responsibility for corporate governance practices; and
- All matters of strategic importance.

While matters relating to the Group's strategies and policies require the Board's direction and approval, the Management is responsible for the day-to-day operations and administration of the Group.

All newly appointed Directors will undergo an orientation programme and be briefed by the Management on the Group's business, operations, structure and governance practices relating to, inter alia, disclosure of interests in the Company's securities, prohibition on dealings in the Company's securities and restrictions on the disclosure of price- and trade- sensitive information. For a first-time Director who does not have prior experience as a Director of a public listed company in Singapore, the Company will arrange for the first-time Director to attend the SGX-ST's prescribed training courses on the roles and responsibilities of a Director of a listed company and other training institutions in areas such as management accounting, legal and industry-specific knowledge, where appropriate. To obtain a better understanding of the Group's business, the first-time Director will have the opportunity to visit the Group's operational offices and facilities and meet with the key management personnel(s).

# Corporate Governance **Report**

The Company is responsible for arranging and funding briefings, updates, seminars and training courses for the Directors. The Board is updated, from time to time, when new laws or regulations affecting the Group are introduced. The professional advisors to the Company will conduct briefings and presentations to update the Board in areas such as corporate governance, changes to laws and regulations pertaining to the Group's business and operations, and changes in financial reporting standards. The Directors are also encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as Directors of the Company.

The Directors were provided with briefings and updates on: (i) the developments in financial reporting and governance standards by the external auditors; and (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board and Board Committee meetings. As at the date of this Report, all our Directors have gone through the mandatory sustainability training course prescribed by SGX-ST.

All Board Committees are constituted with clear terms of reference to assist the Board in discharging its functions and responsibilities. Formal letters of appointment and terms of references are furnished to every newly-appointed Director upon their appointment, explaining, among other matters, their roles, obligations, duties and responsibilities as a member of the Board. Directors with multiple board representations are to disclose such board representations and ensure that sufficient time and attention are given to the affairs of the Company.

The Directors can also request further briefings or information on any aspect of the Group's business or operations from the Management. Directors have separate and independent access to the Company Secretary. The Company Secretary or his/her representatives attend all Board meetings and Board Committees meetings to ensure that Board procedures are followed and that applicable rules and regulations, and all governance matters are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

**BOARD COMPOSITION AND GUIDANCE**

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

As at the date of this report, the Board comprises six (6) Directors as follows:

| Name of Director | Designation |
|---|---|
| Ng Lip Chi, Lawrence | Non-Executive Chairman and Independent Director |
| Kew Boon Kee | Deputy Chairman and Executive Director |
| Sim Hock Heng | Chief Executive Officer ("CEO") and Executive Director |
| Lee Tien Chiat | Executive Director |
| Chan Hock Leong | Non-Executive and Independent Director |
| Latiff Bin Ibrahim | Non-Executive and Independent Director |

The Non-Executive and Independent Directors have made up at least one third (1/3) of the Board, including the Chairman, is independent. This enables the Board to exercise independent and objective judgement on corporate affairs and no individual or small group of individuals dominate the decisions of the Board.

Under Provision 2.3 of the Code, it provides that Non-Executive Directors shall make up a majority of the Board. The Board is of the view that the current Board size and composition are appropriate for the time being for the facilitation of effective decision making, taking into account the nature and scope of the Company's operations. The Board will meanwhile deliberate whether the Company will make any changes to the Board's composition. The Non-Executive and Independent Chairman and the Independent Directors ensure that the Company's current Board's composition is consistent with the intent of Principle 2.

The NC, reviews the independence of each Director on an annual basis, in accordance with the Guide as set out in the Code and the Catalist Rules. Each of the Independent Directors has completed a declaration form and confirmed his independence. The Independent Directors being, Mr Ng Lip Chi, Lawrence, Mr Chan Hock Leong, and Mr Latiff Bin Ibrahim, have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers with shareholdings of 5% or more in the voting shares of the Company that could interfere or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

In relation to the assessment of the independence of the Directors, specific tests of Directors' independence have been hardcoded into the Catalist Rules to clarify that these circumstances which deemed Directors not to be independent should be applied without any exceptions. Under Rules 406(3)(d) the Catalist Rules, it stipulates that a Director will not be considered as independent if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the current or any of the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the issuer; or if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three (3) financial years.

The NC has reviewed and confirmed the independence of the Independent Directors. The Board has determined, taking into account the views of the NC, that Mr Ng Lip Chi, Lawrence, Mr Chan Hock Leong and Mr Latiff Bin Ibrahim are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the judgement of each of the aforesaid Directors. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code, that would otherwise deem him not to be independent.

As at the date of this report, none of the Independent Directors has served on the Board beyond nine (9) years since the date of his first appointment.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its current Board size and the existing composition of the Board Committees can effectively serve the Group. The current Board size and composition provide sufficient diversity of skills, experience and knowledge of the Company without interfering with efficient decision-making.

With the recommendation of the NC, the Company has adopted a Diversity Policy in the financial year 2023 setting out its policy and framework for promoting diversity on the board.

While the Board recognises the importance of promoting diversity in terms of gender, age, and ethnicity, it emphasises that the selection criteria based on an effective blend of competencies, skills, extensive experience, and knowledge to strengthen the Board should remain a priority.

The Company does not set specific targets for gender diversity but is committed to appointing female directors to the Board whenever suitable opportunities arise. The Company upholds an environment of respect for individuals, regardless of their gender, in all business dealings. It strives to create a workplace free from gender-based harassment and discrimination, considering factors such as physical or mental state, ethnicity, nationality, religion, age, or family status. The same principle applies to the selection of potential candidates for Board appointments, with the aim of attracting and retaining women's participation on the Board.

The Company does not set specific targets for age diversity within the boardroom but will work towards achieving appropriate age diversity on the Board when suitable opportunities arise. The Company does not impose an age limit for directors, recognizing that these individuals are typically respected and experienced in the corporate world, capable of making significant contributions to the Board's guidance of the Company. The Board is fully committed to promoting age diversity, valuing the contributions of its members irrespective of age, and striving to eliminate age stereotyping and discrimination.

If any search firm is engaged in identifying candidates for appointment to the Board, normal search criteria of having suitable competencies, skills, extensive experience and knowledge should remain a priority. Notwithstanding, the Board would also take into consideration of diversity (in terms of age, gender and ethnicity), experienced and reputable candidates.

The Nominating Committee will continue to review the effectiveness of the Board Diversity Policy and recommend appropriate revisions to the Board for consideration and approval, ensuring its ongoing effectiveness.

The Board comprises Directors who as a Group, provide an appropriate balance and diversity of skills, experience and knowledge of the Company. The Board also provides core competencies such as accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning experience, customer-based experience and knowledge and this enables Management to benefit from a diverse and objective external perspective on issues raised before the Board.

The Board, with the assistance of the NC, has established and adopted an assessment system and evaluation forms to assess annually the existing attributes and core competencies of the Board, and whether are they complementary to enhance the efficacy of the Board as a whole. The Directors also evaluate, at least once a year, the skill sets that the other Directors possess, with a view to understanding the range of expertise that is lacking by the Board.

The NC will compile the feedback from the forms and discuss the results of these exercises and consider its recommendations to the Board to maintain or further enhance its balance and diversity.

The Independent Directors, who are Non-Executive Directors, are kept well informed of the Group's business and be knowledgeable about the industry the Group operates in. The Independent Directors will constructively challenge and assist in the development of proposals on strategy and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Their views and opinions will provide alternative perspectives to the Group's business. When challenging the Management proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.

When necessary, the Independent Directors will have discussions among themselves without the presence of Management and provide feedback to the Board and Management after such meetings, where appropriate.

To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to the Management at all times in carrying out its duties, and will be provided sufficient time and resources to discharge their oversight functions effectively. The Management provides the Board with adequate and timely information on an ongoing basis including Board papers and related materials, and updates on initiatives and developments for the Group's business whenever possible.

The Independent Directors also met and discussed with the external and internal auditors post-FY2025, in the absence of the Executive Directors and key management personnel. To facilitate a more effective check on Management, the Independent Directors may meet, where necessary, without the presence of the Executive Directors and the Management.

# Corporate Governance **Report**

**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The Non-Executive Chairman and Independent Director of the Board is Mr Ng Lip Chi, Lawrence and the CEO of the Company is Mr Sim Hock Heng.

The roles of the Non-Executive Chairman and CEO are separated to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Non-Executive Chairman is not related to the CEO.

The Non-Executive Chairman oversees the business of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board meeting agenda in consultation with the CEO and the Company Secretary, and ensures sufficient allocation of time for thorough discussions. He ensures that the Directors receive complete, adequate, and timely information and encourages constructive communications between the Board and key management personnel to facilitate efficient decision making. The Non-Executive Chairman also promotes an open concept culture and debate among the Board members, ensuring effective communication with shareholders. He also facilitates the effective contribution of the Non-Executive Directors in particular, as well as promoting high standards of corporate governance of the Group.

The CEO takes a leading role in developing the business of the Group and manages the day-to-day operations with the assistance of the Executive Directors and key management personnel. He also oversees the execution of the Group's business and corporate strategy decisions made by the Board.

The Company has not appointed a Lead Independent Director as the Chairman and the CEO are not the same person. The Independent Directors are available to shareholders where they have concerns and for which contact through the normal channels of the CEO or the Chief Financial Officer has failed to resolve or is inappropriate.

**BOARD MEMBERSHIP**

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.*

The NC consists of three (3) Independent Directors and one (1) Executive Director. Accordingly, majority of the NC, including the NC Chairman is independent. The NC meets at least once every year. The members of the NC as at the date of this report are:-

| | |
|---|---|
| Latiff Bin Ibrahim | (Chairman) |
| Ng Lip Chi, Lawrence | (Member) |
| Chan Hock Leong | (Member) |
| Sim Hock Heng | (Member) |

The NC is guided by the key terms of reference as follows:

- To make recommendations to the Board on the appointment of directors, including making recommendations on the composition of the Board and assessing the balance between executive and non-executive Directors appointed to the Board;

- To regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;

- To determine the process for search, nomination, selection and appointment of new board members (including alternate directors, if appropriate) and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;

- To be responsible for succession planning as and when the circumstance arises, in particular for the Chairman and the CEO;

- To recommend Directors who are retiring by rotation to be put forward for re-election. All Directors are required to submit themselves for re-appointment and re-election at regular intervals and at least every three (3) years;

- To review annually whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations and other principal commitments;

- To recommend the process and criteria for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution and commitment of the Chairman and each individual Director to the effectiveness of the Board and assist to implement these assessments;

- To review induction and training needs of Directors including professional development programs;

- To be responsible for the progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour);

- To review and approve any new employment of persons related to the Directors and/or substantial shareholders and the proposed terms of their employment;

- To make recommendations to the Board concerning suitable candidates for the role of lead independent director (if required); and

- To ensure that, upon appointment to the Board, all newly-appointed directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside of Board meetings.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-nomination as a Director.

The NC has reviewed the independence of each Independent Director and is of the view that Mr Ng Lip Chi, Lawrence, Mr Chan Hock Leong and Mr Latiff Bin Ibrahim are independent as defined in the Code and the Catalist Rules and are able to exercise judgement on the corporate affairs of the Group independently of the Management.

The Board has not capped the maximum number of listed company board representations each Director may hold as the NC is of the view that the Directors are able to and have adequately carried out their duties as Directors of the Company.

The Board is of the view that at present, it would not be meaningful to define the maximum number of listed company directorships which any Director may hold and would review the matter on a case-by-case basis, taking into account the ability and performance of each Director in his/her performance and discharge of duties and responsibilities.

The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. The NC, with the concurrence of the Board, is satisfied that sufficient time and attention to the affairs of the Company have been given by those Directors who have multiple board representations.

The Board provides for appointment of alternate Director only in exceptional cases such as when a Director has a medical emergency. The Board will take into consideration the same criteria for selection of directors such as his qualifications, competencies, and independence. Currently, the Company does not have alternate Directors.

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new Directors.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with the appropriate expertise and experience for the appointment as new Director. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy. The NC seeks potential candidates widely and beyond Directors / Management recommendations and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary.

The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as Director.

The role of the NC also includes the responsibility of reviewing the re-nomination of Directors who retire by rotation, taking into consideration the Directors' integrity, independence mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Regulation 108 of the Company's Constitution, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to one-third) shall retire from office by rotation at each AGM. All Directors shall retire from office once every three years.

In accordance with Regulation 109 of the Company's Constitution, the Directors to retire every year shall be subjected to retirement by rotation based on who has been the longest in office since their last re-election or appointment. For Directors who were appointed or were last re-elected as Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Regulation 110 of the Company's Constitution provides that a retiring Director shall be eligible for re-election.

Regulation 118 of the Company's Constitution further provides that, the Company may, by Ordinary Resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall only hold office until the next AGM of the Company and thereafter be eligible for re-election at the AGM, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Pursuant to the Company's Constitution, the NC has recommended two (2) Directors, namely Mr Sim Hock Heng (Executive Director) and Mr Chan Hock Leong (Independent Director) to retire as Directors of the Company by rotation at the forthcoming AGM. All proposed Directors, being eligible, have offered themselves for re-election. Upon re-election, they will remain as Directors of the Company.

The key information of the Directors, including their profiles, and academic and professional qualifications are set out under the section titled "Board of Directors" of this Annual Report.

The shareholdings of the individual Directors of the Company are set out on page 76 of this Annual Report. None of the Directors holds shares in the subsidiaries of the Company.

# Corporate Governance **Report**

Details of the appointment of the Company's current Directors including date of initial appointment, directorship in other listed companies, both current and for the preceding three (3) years and other principal commitments:-

| Name of Director & Designation | Age | Date of Initial Appointment | Date of Last Re-Appointment | Present Directorships In Other Listed Companies | Past Directorships In Other Listed Companies Over The Preceding Three (3) Years | Other Principal Commitments |
|---|---|---|---|---|---|---|
| Ng Lip Chi, Lawrence (Non-Executive Chairman and Independent Director) | 54 | 11 May 2017 | 28 July 2023 | NIL | UG Healthcare Corporation Limited | Present:<br>1. NLC Advisory Pte. Ltd. (Executive Director) |
| Sim Hock Heng (Chief Executive Officer and Executive Director) | 55 | 27 February 2017 | 28 July 2022 | NIL | NIL | NIL |
| Kew Boon Kee (Deputy Chairman and Executive Director) | 55 | 27 February 2017 | 31 July 2024 | NIL | NIL | NIL |
| Lee Tien Chiat (Executive Director) | 54 | 27 February 2017 | 31 July 2024 | NIL | NIL | NIL |
| Chan Hock Leong (Independent Director) | 54 | 11 May 2017 | 28 July 2022 | NIL | NIL | Present:<br>1. Forvis Mazars LLP (Managing Partner)<br><br>Past:<br>NIL |

# Corporate Governance **Report**

| Name of Director & Designation | Age | Date of Initial Appointment | Date of Last Re-Appointment | Present Directorships In Other Listed Companies | Past Directorships In Other Listed Companies Over The Preceding Three (3) Years | Other Principal Commitments |
|---|---|---|---|---|---|---|
| Latiff Bin Ibrahim (Independent Director) | 66 | 19 October 2020 | 28 July 2023 | NIL | NIL | Present:<br>1. Muhammadiyah Welfare Home (Board Member & Management Committee)<br>2. Fa-iM Pte Ltd (Director & Shareholder)<br><br>Past:<br>1. Jurong Health Services Pte Ltd (Director)<br>2. National University Health System Pte Ltd (Director)<br>3. National Crime Prevention Council (Board Member)<br>4. National Council of Social Service (Honorary General Secretary and Board Member)<br>5. Nanyang Academy of Fine Arts (Board Member) |

# Corporate Governance **Report**

## Additional Information on Directors Seeking Re-Election

Mr Sim Hock Heng and Mr Chan Hock Leong are the Directors seeking re-election at the forthcoming AGM of the Company to be convened on 31 July 2025 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors in accordance with Appendix 7F of the Catalist Rules is set out below and to be read in conjunction with their respective profiles under the section entitled "Board of Directors" of this Annual Report:

| | **Mr Sim Hock Heng** | **Mr Chan Hock Leong** |
|---|---|---|
| Date of appointment | 27 February 2017 | 11 May 2017 |
| Date of last re–appointment (if applicable) | 28 July 2022 | 28 July 2022 |
| Age | 55 | 54 |
| Country of principal residence | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contribution and suitability of Mr Sim Hock Heng ("**Mr Sim**") for re–appointment as Executive Director of the Company. The Board has assessed and is of the view that Mr Sim possesses the experience, expertise, knowledge and skills to continue contributing towards the existing businesses of the Group. | Mr Chan Hock Leong ("**Mr Chan**") has continued to discharge his duties as Independent Director well and to contribute positively to the Company. |
| Whether appointment is executive, and if so, the area of responsibility | Executive Director<br>Responsible for the overall administration, operation and management of the Group. | Non-Executive Director |
| Job title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Director<br><br>Member of the NC. | Independent Director<br><br>Chairman of the AC, a member of the NC and the RC. |
| Professional qualifications | Bachelor of Science, Singapore Institute of Management. | A member of the Institute of Singapore Chartered Accountants and a fellow member of the Association of Chartered Certified Accountants. |

| | Mr Sim Hock Heng | Mr Chan Hock Leong |
|---|---|---|
| Working experience and occupation(s) during the past 10 years | June 2017 – Present<br>Executive Director, Sanli Environmental Limited<br><br>December 2017 – Present<br>Director, Sanli E&C Pte. Ltd.<br><br>March 2006 – Present<br>Director, Sanli M&E Engineering Pte. Ltd. | May 2017 – Present<br>Independent Director, Sanli Environmental Limited<br><br>November 2011 - Present<br>Managing Partner, Head of Audit and Assurance, Forvis Mazars LLP<br><br>May 2012 - May 2018<br>Independent Board Member, City Harvest Church |
| Shareholding interest in the listed issuer and its subsidiaries | The Company:<br>Direct Interest: 21,882,675 shares<br>Deemed Interest: 110,288,509 shares held by Typha Holdings Pte. Ltd.<br><br>Subsidiaries of the Group:<br>NIL | The Company:<br>Direct Interest: 100,000 ordinary shares<br><br>Subsidiaries of the Group:<br>NIL |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries | The Executive Directors of the Company, Mr Kew Boon Kee, Mr Sim and Mr Lee Tien Chiat are deemed interested in the 110,288,509 shares of the Company held by Typha Holdings Pte. Ltd. ("**Typha Holdings**"). Each Executive Director owns 33.3% shares of Typha Holdings. | None |
| Conflict of interest (including any competing business) | NIL | NIL |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer | Yes | Yes |
| Other principal commitments including directorships<br>• *for the last 5 years* | NIL | NIL |
| • *present* | Subsidiaries of Sanli Group (Director) | Forvis Mazars LLP (Managing Partner)<br><br>Harmony Partners Investment Limited (Alternate director) |

# Corporate Governance **Report**

| | | Mr Sim Hock Heng | Mr Chan Hock Leong |
|---|---|---|---|
| **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full detailsm ust be given.** | | | |
| (a) | Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |
| (b) | Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |
| (c) | Whether there is any unsatisfied judgment against him? | No | No |
| (d) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No |
| (e) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No |
| (f) | Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No |
| (g) | Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |

| | | Mr Sim Hock Heng | Mr Chan Hock Leong |
|---|---|---|---|
| (h) | Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No |
| (i) | Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No |
| (j) | Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- | | |
| | (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No |
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No |
| | (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere, or | No | No |
| | (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere; or | No | No |
| in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | | | |
| (k) | Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No |

**BOARD PERFORMANCE**

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.*

The Board has established processes to be carried out by the NC, for monitoring and evaluating the performance of the Board as a whole and Board Committees, and the effectiveness and contribution of each individual Director annually. The Board has not engaged any external facilitator in conducting the assessment of the Board's and Board Committees' performance and the performance of individual Directors. Where relevant, the NC will consider such engagement.

For the evaluation process, the Directors will complete a Board evaluation questionnaire which seeks to assess the effectiveness of the Board and the Board Committees, covering areas including, amongst others, the size and composition of the Board, the Board's access to information, Board's approval processes and accountability annually. The results are then collated by the Company Secretary who will submit to the NC Chairman in the form of a report. The report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board and/or the Board Committees, following which the NC will recommend to the Board key areas for improvement and follow-up actions.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC Chairman. The assessment criteria includes, inter alia, Director's attendance, commitment of time, candour, participation, knowledge and abilities, teamwork and overall effectiveness. The performance of each Director will be taken into account in his/her re-election or re-appointment.

The NC, having reviewed the overall performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, the Board Committees and each individual Director has been satisfactory for the period under review.

Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-nomination as Director.

## Remuneration Matters

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

*Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.*

### LEVEL AND MIX OF REMUNERATION

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

### DISCLOSURE ON REMUNERATION

*Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

The RC consists of three (3) Independent Directors. All members of the RC, including the RC Chairman, are independent and nonexecutive directors. The RC meet at least once every year. The RC comprises the following members:-

| | |
|---|---|
| Ng Lip Chi, Lawrence | (Chairman) |
| Chan Hock Leong | (Member) |
| Latiff Bin Ibrahim | (Member) |

The RC is guided by the key terms of reference as follows:-

- To review and recommend to the Board a general framework of remuneration for the Board and key management personnel, review and make remuneration recommendations, in consultation with the Chairman of the Board the specific remuneration packages for each Director, key management personnel and employees who are immediate family members of a director or CEO;

- To review the design of any long-term incentive schemes for approval by the Board and shareholders and to determine whether the Executive Directors and key management personnel should be eligible for benefits under long-term incentive schemes;

- To review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance;

- To review and determine the link between remuneration paid to the Executive Directors and key management personnel with the performance taking into account long-term and short-term incentive schemes;

- To review the ongoing appropriateness and relevance of the remuneration policy in place for each director, key management personnel and employees who are immediate family members of a director or CEO;

- As part of its review, the RC shall ensure that:-

  (i) all aspects of remuneration including directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind should be considered;

  (ii) the remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors. Non-Executive Directors should not be over- compensated to the extent that their independence may be compromised. The RC should consider implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders;

  (iii) the remuneration package of employees who are immediate family members of a director or the CEO, if any, are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility;

  (iv) the existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and

  (v) the costs and benefits of all long-term incentive schemes should be carefully evaluated.

Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his/her own remuneration package.

The RC reviews and recommends to the Board the specific remuneration packages for the Directors and key management personnel. The recommendations of the RC will be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind, will be covered by the RC.

Where applicable, the RC will also review annually the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. In the event that a member of the RC is related to the employee under review, he/she will abstain from participating in the review and voting on any resolution in relation to the remuneration package of that employee related to them.

If necessary, the RC will seek expert advice inside and/or outside the Company on the remuneration of the Directors and key management personnel. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. During the financial year, the RC did not require the service of an external remuneration consultant.

The RC reviews the Company's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Directors or key management personnel, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group.

Annual review of the remuneration packages is carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel is commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The remuneration of the Executive Directors (together with other key management personnel) is reviewed periodically by the RC and the Board.

The remuneration of the Executive Directors and the key management personnel consists of fixed salary and allowances. The Executive Directors do not receive Directors' fees. There is variable compensation which is determined based on the level of achievement of corporate and individual performance objectives. Such performance-related remuneration is structured to align with the interests of shareholders and promote the long-term success of the Company.

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel taking into account employment conditions within the industry and the Group's performance to ensure that the package is competitive and sufficient to attract, retain and motivate them to run the Group successfully in order to maximise shareholders' value. Each RC member shall abstain from the decision-making process concerning his own remuneration.

The Company advocates a performance-based remuneration system for Executive Director and key management personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus which is based on the Group's performance and the individual's performance, such as management skills, process skills, people skills and business planning skills. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Each of the Executive Directors has entered into a service agreement with the Company and the terms of these service agreements are reviewed by the RC annually. Each of the Service Agreements is valid for an initial period of three (3) years with effect from the date of admission of the Company to Catalist. Upon the expiry of the initial period of three (3) years, the employment of each Executive Director shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree in writing. During the initial period of three (3) years, either party may terminate the Service Agreement at any time by giving to the other party not less than six (6) months' notice in writing, or in lieu of notice, payment of an amount equivalent to six (6) months' salary based on the Executive Directors' last drawn monthly salary.

Each of the Executive Directors shall abstain from voting in respect of any resolution or decision to be made by the Board in relation to the terms and renewal of his service agreement.

The Independent Directors do not have service contracts with the Company and are paid directors' fees which are recommended by the Board and the RC, based on factors such as their level of contributions, effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. The Company recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised.

Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

Having reviewed and considered the variable components of the remuneration of the Executive Directors and the key management personnel, the RC is of the view that there are currently no requirements to implement contractual provisions to allow the Company to reclaim incentive components of their remuneration packages.

In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business objective and create sustainable value for its stakeholders. The remuneration policy articulates to the Executive Directors and key management personnel the link between total compensation to the achievement of organisational and individual performance objective, and benchmarked against relevant and comparative compensation in the market.

In accordance with Rule 1204(10D) of the Catalist Rules, the breakdown for the remuneration of the Directors in FY2025 is as follows:-

| Name of Director | Salary ($'000) | Bonus ($'000) | Benefits in Kind ($'000) | Directors' Fees*1 ($'000) | Total ($'000) |
|---|---|---|---|---|---|
| Sim Hock Heng | 360 | 135 | 34 | – | 529 |
| Kew Boon Kee | 360 | 135 | 30 | – | 525 |
| Lee Tien Chiat | 360 | 135 | 37 | – | 532 |
| Ng Lip Chi, Lawrence | – | – | – | 48.5 | 48.5 |
| Chan Hock Leong | – | – | – | 45.5 | 45.5 |
| Latiff Bin Ibrahim | – | – | – | 44 | 44 |

**Note:**
*1 The directors' fees are subject to approval by shareholders at the forthcoming AGM.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) in FY2025 is as follows:

| Name of Key Management Personnel | Salary (%) | Bonus (%) | Benefits in Kind (%) | Allowance (%) | Total (%) |
|---|---|---|---|---|---|
| **Between S$250,001 and S$500,000** | | | | | |
| Tan Thean Seang, CFO | 76 | 13 | 6 | 5 | 100 |
| **Below S$250,000** | | | | | |
| Chua Chwee Tian Andrew, Managing Director of Enviro Plant & Engineering Pte. Ltd. | 73 | 12 | 7 | 8 | 100 |
| Vasu Babu, Managing Director of Sanli E&C Pte. Ltd. | 78 | 15 | – | 7 | 100 |

The total remuneration paid to the three (3) key management personnel in FY2025 was S$705,225.

There was no employee of the Group whose remuneration exceeds S$100,000 and who is an immediate family member of any Directors or substantial shareholders of the Company during FY2025.

There were no termination, retirement and post-employment benefits that were granted to Directors and key management personnel as of the date of this report.

The Company has in place long-term incentive schemes such as Sanli Employee Share Option Scheme ("**Sanli ESOS**") and Sanli Performance Share Plan ("**Sanli PSP**"). Both schemes are administrated by a Committee, which is also the Remuneration Committee. According to the Sanli ESOS and Sanli PSP, total options and share awards shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the date preceding the granting of the share awards or share options.

During the FY2025, the Company has granted 615,000 performance shares to eligible group employees by way of transfer of treasury shares under the Sanli PSP. None of the performance shares have been granted to the Company's controlling shareholders or their associates, nor has any participant received 5% or more of the total number of shares awarded under the Sanli PSP. No share options have been granted since the commencement of Sanli ESOS.

The remuneration received by the Executive Directors and key management personnel takes into consideration the Group's performance and his/her individual performance and contribution towards the overall performance of the Group. Their remuneration is made up of fixed and/or variable compensations. The fixed compensation consists of an annual base salary and allowances. The variable compensation is based on the level of achievement of corporate and individual performance objectives.

The terms of their service agreements and remuneration packages are subject to review by the RC. There are no excessive or onerous clauses in these service agreements.

In view of the foregoing, the RC confirms that the level and structure of remuneration are aligned with the long-term interest and risk management policies of the Group.

## Accountability and Audit

### RISK MANAGEMENT AND INTERNAL CONTROL

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The Board believes that it should conduct itself in a way that delivers maximum sustainable value to its shareholders. Timely releases of the Group's financial results and all significant information to shareholders as well as the prompt fulfilment of statutory requirements are ways to maintain shareholders' confidence and trust in the Board's capability and integrity.

The Board, with the assistance of the professional advisors, ensures compliance with the disclosure requirements under the Catalist Rules. In this regard, the Company demonstrates its accountability to its shareholders by announcing its financial results on a halfyearly basis and other information via SGXNet in accordance with the requirements of the SGX-ST, so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcement in accordance with Rule 705(5) of the Catalist Rules.

In addition, the Company had, pursuant to Rule 720(1) of the Catalist Rules, received undertakings from all its Directors and executive officers that they each shall, in the exercise of their powers and duties as Directors and officers comply with the best of their abilities with the provisions of the Catalist Rules and will also procure the Company to do so.

The Management provides the Board with updates covering operational performance, financial results, marketing and business development and other relevant information on a regular basis as the Board may require from time to time, enabling the Board to make a balanced and informed assessment of the Company's performance, position and prospect.

The Board acknowledges its responsibilities for the governance of risks and the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve the business objective, and can provide only reasonable and not absolute assurance against material misstatements or loss.

Risk assessment and evaluation have become an essential part of the business planning and monitoring process. Having identified the risks to the achievement of the Group's strategic objectives, each business unit is required to document the mitigating actions in place and/or proposed in respect of each significant risk. Risk awareness and ownership of risk treatments are also continuously fostered across the Group.

The Group currently does not have a Risk Management Committee but the Management regularly reviews the Group's operating and business activities to identify areas of significant business risk as well as appropriate measures to control and mitigate these risks. The Management reviews all the significant control policies and procedures and highlights all significant findings and matters to the Board and the AC for further discussion. The Board is ultimately responsible for the Group's risk management and internal control systems.

On an annual basis, the internal audit function of the Group prepares the internal audit plan taking into consideration the risks identified which is approved by the AC.

The Board, with the assistance of independent internal auditors, has reviewed the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place to address key financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement are reported to the Board and AC. A copy of the report is also issued to the relevant departments for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The Board with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to meet the needs of the Group in their current business environment as of the date of this report.

The bases for the Board's view are as follows:

- Assurance had been received from the CEO and CFO/other key management personnel;

- Based on the internal controls established and maintained by the Group, work performed by the internal auditors, and reviews performed by the key management personnel and the Board. The Group has outsourced its internal audit function to BDO LLP which reported on the audit findings and recommendations directly to the AC; and

- Discussion was held between the AC and external auditor in the absence of the Management to review and address any potential concerns.

The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when opportunities arise.

The Board has obtained assurance from the CEO and CFO/other key management personnel in respect of FY2025 that:

(i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls, are adequate and effective as at the date of this report.

In addition, BDO LLP, the Group's outsourced internal auditor ("**IA**"), has briefed the Board on the internal controls matters and highlighted the issues identified and the Management's responses. Also, BDO LLP had joined the AC meeting without the presence of Management, to brief the AC on the internal controls matters and highlighted the issues identified and management responses.

The Company has developed an Enterprise Risk Management ("**ERM**") Framework to facilitate the Board in identifying and assessing key operational, financial, compliance and information technology risks with reference to the business goals, strategies and critical success factors of the Group. Under the ERM Framework, Management and executives of all levels are expected to constantly review the business operations and the operating environment to identify risk areas and ensure mitigating measures are promptly developed to minimise these risks. The ERM Framework outlines the Group's approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, monitoring, managing and reporting risks faced by the Group. Thus, it allows the Group to address the changes and the challenges in the business environment, reduce uncertainties and facilitates the shareholder value creation process on an ongoing basis.

## AUDIT COMMITTEE

*Principle 10: The Board has an Audit Committee which discharges its duties objectively.*

The AC consists of three (3) Independent Directors. All members of the AC, including the AC Chairman, are independent and nonexecutive directors. The AC meets at least twice a year. The AC comprises the following members:-

| | |
|---|---|
| Chan Hock Leong | (Chairman) |
| Ng Lip Chi, Lawrence | (Member) |
| Latiff Bin Ibrahim | (Member) |

The AC is guided by the following key terms of reference:-

- Review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the Management's response and results of our audits compiled by our internal and external auditors;

- Review the half-yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and other statutory/regulatory requirements;

- To discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the external auditors and the internal auditors where necessary;

- To meet the external auditors and the internal auditors, in each case without the presence of Management, at least annually, to discuss any problems and concerns they may have;

- To review annually the scope and results of the external audit and the independence and objectivity of the external auditors. Where the external auditors also supply a substantial volume of non-audit services to the Company, the AC should keep the nature and extent of such services under review, seeking to maintain objectivity;

- To review the assistance and co-operation rendered by Management to the internal and external auditors;

- To review and report to the Board, at least annually, the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

- To review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

- To review policy and arrangements by which staff of the Company or of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters relating to fraud and illegal acts and, to conduct an independent investigation of such matters for appropriate follow up action to be taken. The existence of a whistle blowing policy should be disclosed in the Company's Annual Report, and procedures for raising such concerns should be publicly disclosed as appropriate;

- To investigate any matter within its terms of reference, with full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and obtain reasonable resources to enable it to discharge its functions properly;

- To report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

- To review interested person transactions falling within the scope of the Catalist Rules;

- To undertake such other reviews and projects as may be requested by the Board;

- To undertake such other functions and duties as may be required by statutes or the Catalist Rules, and by such amendments made thereto from time to time;

- To recommend to the Board on the proposals to the shareholders on the appointment/re-appointment and removal of the external auditors and approving the remuneration and terms of engagement of the external auditors;

- To approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or accounting / auditing firm or corporation if the internal audit function is outsourced. The internal auditor should have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC;

- To receive at least on a half-yearly basis, management accounts of the Group from the Management detailing such information as breakdown of major expenses, revenue earned, aging of receivables, loss allowances, order book, major contracts entered into, all litigations and other matters;

- To review annually the adequacy and effectiveness of the Company's internal audit function; and

- To assess annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process and monitor the auditor's compliance with relevant ethical and professional guidance on the rotation of the audit partner.

The Board considers that Mr Chan Hock Leong, who has extensive and practical accounting and auditing knowledge and experience, to be well-qualified to be the AC Chairman. The members of the AC, collectively, have relevant expertise or experience in accounting and related financial management and are appropriately qualified to discharge the AC's responsibilities.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the cooperation of the Management and full discretion to invite any Executive Director or key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The AC met twice with the external auditors and once with the internal auditors respectively, without the presence of the Management in FY2025, to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems.

# Corporate Governance **Report**

The Company has outsourced its internal audit functions to BDO LLP. The IA has unrestricted direct access to all of the Group's documents, records, properties and personnel and reports to the designated members of the AC on the findings and Management's responses on the findings. The AC approves the appointment, removal, evaluation and compensation of the IA. The IA plans its internal audit work and schedules in consultation with, but independent of, the Management. The internal audit plan will be submitted to the AC for approval prior to the commencement of the internal audit work.

The objective of the internal audit function is to provide an independent review of the adequacy and effectiveness of the Group's internal controls and provide reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

BDO LLP is an international auditing firm. The internal audit function follows a global internal audit methodology, which references the Internal Standards for the Professional Practice of Internal Auditing, as set by the Institute of Internal Auditors. The engagement team is headed by a Partner who has more than 25 years of experience in audit and advisory services. He holds a Bachelor of Accountancy Degree (Honours) from the Nanyang Technological University, Singapore, and is a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA) and Certified Internal Auditor of the Institute of Internal Auditors (IIA).

The AC is satisfied that IA is adequately qualified (given, inter alia, its adherence to standards set by nationally or internationally recognised professional bodies) and resourced, to discharge its duties effectively. The AC will also review the adequacy and effectiveness of the internal audit function on an annual basis.

Deloitte & Touche LLP is the Company's current external auditors. The AC will review the independence of the external auditors annually. The AC has also reviewed the audit fees paid to the external auditors for FY2025. During the year under review, the fees paid to the external auditors of the Company for audit services amounted to S$176,000. There were no non-audit services provided by the external auditors of the Company.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board the nomination of Messrs Deloitte & Touche LLP, for re-appointment as external auditors of the Company at the forthcoming AGM. The external auditors, Deloitte & Touche LLP, have indicated their willingness to accept the re-appointment.

Both the AC and the Board have reviewed the appointment of different auditors for its foreign-incorporated subsidiaries and were satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

The Company confirms that it is in compliance with the Rules 712 and 715 of the Catalist Rules in relation to its appointment of the audit firm of the Group. None of the members of the AC is a former partner or director of the Company's existing auditing firm.

**Whistle Blowing**

The Board advocates the highest level of conduct and ethical standards of governance for the Group. The Group has a whistle-blowing policy in place which encourages the reporting of matters of fraud, corruption or dishonest and unethical practices. The whistle blowing policy is communicated to all staff and covered during staff training

The Company's employee handbook provides a set of guiding principles in terms of having the appropriate conduct for common ethical issues, such as conflicts of interest, bribery and corruption, confidential information and insider trading, among others. We also educate all our employees on the Company's whistle-blowing policy is to facilitate the reporting of suspected and actual cases of improper, unethical or fraudulent conduct.

The whistle-blowing policy, reviewed and endorsed by the AC, where employees of the Group can raise concerns about improprieties. The whistle-blowing policy serves to encourage and provide a channel for employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the AC Chairman or CFO. All information received will be treated confidentially and the identity of whistle-blowers will be protected. The objective of such arrangement is to ensure independent investigation of such matters raised and for appropriate follow-up action to be taken. Details of the whistle-blowing policies and arrangements have been made available to all employees and provide assurance that employees will be protected from reprisal within the limits of the law.

The AC is kept abreast by the Management and the external auditors of any changes to accounting standards, Catalist Rules, and other regulations which could have an impact on the Group's business and financial statements.

## Financial Reporting and Key Audit Matter

During the year, the AC had full access to and cooperation from the Management, internal auditors and external auditors.

The AC reviewed the financial statements of the Group and the Company before submitting them to the Board for its approval and the announcement of the financial results. The AC also reviewed and monitored the Group's and the Company's financial condition, internal and external audits, and the effectiveness of the Group's and the Company's system of accounting and internal controls. The following key audit matter was discussed between the external auditors and Management, and reviewed by the AC.

| **Key audit matter** | **How the matter was addressed by the AC** |
|---|---|
| Revenue recognition of engineering, procurement and construction ("**EPC**") contracts<br><br>The Group is involved in EPC contracts with customers for which it applies cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs ("**input method**") to measure the Group's progress towards complete satisfaction of a performance obligation and recognise revenue over time in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.<br><br>Significant judgement is required from management and project teams to estimate the total cost on completion. The uncertainty and subjectivity involved in determining the total cost on completion may result in a significant impact to the revenue recognised during the year is disclosed in Note 3.<br><br>The accounting policy for revenue recognition of EPC contracts is disclosed in Note 2 and the amount of revenue recognised based on input method is disclosed in Note 22. | The AC has considered the approach and methodology applied by the Management for revenue recognition of EPC contracts. The AC has also discussed the above with the external auditors and understands that the estimates used by the Management are reasonable for the purpose of revenue recognition using the input method.<br><br>The auditors have included revenue recognition as a key audit matter in the independent auditor's report for FY2025. This is set out on page 80 of this Annual Report. |

## Shareholder Rights and Engagement

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

*Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

### ENGAGEMENT WITH SHAREHOLDERS

*Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

## Management Stakeholders Relationships

### ENGAGEMENT WITH STAKEHOLDERS

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Company's business which could have a material impact on the Company's share price.

Notice of general meetings are issued to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the scheduled date of such meeting. Whilst there is no limit imposed on the number of proxy votes for nominee companies/relevant intermediaries, the Company's Constitution allows each shareholder to appoint up to two (2) proxies to attend general meetings.

The Company ensures that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. The Company conducts poll voting for all resolutions tabled at general meetings. Shareholders will be briefed on the rules, including voting procedures that govern such meetings.

The Chairman and members of the AC, NC and RC will be present at general meetings to address any questions the shareholders may have concerning the Group.

The Company's external auditor will also present to address queries relating to the conduct of the audit and the preparation and content of the auditor's report.

The Company is committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, in a timely, fair and transparent manner.

The Company does not practice selective disclosure and price-sensitive and trade-sensitive information is publicly released on an immediate basis where required under the Catalist Rules before the Company meets with any investors/analysts. In addition, all shareholders will receive the Company's annual reports together with the notices of AGM, which are also accessible through SGXNet.

# Corporate Governance **Report**

All material information on the performance and development of the Group is disclosed in an accurate, timely and comprehensive manner through SGXNet.

When necessary and appropriate, the CEO will meet analysts and fund managers who would like to seek a better understanding of the Group's operations. The CEO also engages with local and foreign investors to solicit feedback from the investment community on a range of strategic and topical issues which should provide valuable insights to the Board on investors' views.

The Company has engaged an investor relations firm, namely 8PR Asia Pte. Ltd. to assist the Company in its investor relations activities.

The Company keeps its website (www.sanli.com.sg) updated and maintains a dedicated investor relations section for shareholders' convenience to access information on the Group. Announcements disclosed through SGXNet are also posted on the Company's website.

When opportunities arise, the CEO conducts media interviews to give its shareholders, investor and public a profound prospective of the Group's business prospects.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Board may deem appropriate.

Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcements released on the SGXNet when the Company discloses its financial results announcement.

The Board has declared and recommended a one and final dividend of S$0.00173 per share for FY2025, after considering the cashflow and future working capital requirement.

The Company's general meetings are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay apprised of the Company's strategy and goals. At general meetings, shareholders are given the opportunity to communicate their views and direct questions to the Directors or the Management relating to the resolutions to be passed as well as questions regarding the Company and its operations.

Notice of the general meetings will be published on the Company website as well as SGXNet. If shareholders are unable to attend the general meetings, the Company's Constitution allows all shareholders to appoint up to two (2) proxies to the general meetings and to vote on their behalf through proxy form sent in advance. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised. This is also subject to legislative amendment to recognise electronic voting.

All Directors (including the respective chairman of the Board Committees) will be present at all general meetings of shareholders, unless of exigencies. The external auditor is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

Every matter requiring shareholders' approval is proposed as a separate resolution. In compliance with Rule 730A(2) of the Catalist Rules, all resolutions tabled at general meetings of shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings of shareholders. Detailed results of all resolutions put to vote will be announced on the SGXNet after the conclusion of the general meeting.

The Company also maintains minutes of the general meetings, which include the key comments and queries raised by shareholders and the responses from the Board and the Management. Moving forward, the Company will publish its minutes of general meetings of shareholders on its corporate website or SGXNet within 1 month from the date of the general meetings.

## Material Contracts

(Rule 1204(8) of the Catalist Rules)

Save for the Service Agreements entered into with the Executive Directors, which are subsisting as at the end of FY2025, there were no material contracts involving the interests of the CEO, each Director or controlling shareholders entered into by the Group which are subsisting as at the end of the financial year or entered into during the financial year.

## Interested Person Transaction ("IPT")

(Rule 907 of the Catalist Rules)

The Group has established procedures governing all IPTs to ensure that they are properly documented and reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

If the Company does enter into an IPT, and a potential conflict of interest arises, the director concerned will abstain from any discussions and will also refrain from exercising any influence over other members of the Board.

The Group does not have a shareholders' mandate for IPTs pursuant to Rule 920(1)(a)(i) of the Catalist Rules. There were no IPT for the year under review.

## Dealing in Securities

(Rule 1204(19) of the Catalist Rules)

The Company has complied with the best practices pursuant to Rule 1204(19) of the Catalist Rules in relation to dealings in the Company's securities by its Directors and employees. The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive and trade-sensitive information.

The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one (1) month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.

## Non-Sponsor Fees

(Rule 1204(21) of the Catalist Rules)

SAC Capital Private Limited is the Continuing Sponsor of the Company. There was no non-sponsor fee paid to the Sponsor during FY2025.

## Use of Proceeds

(Rules 1204(5)(f) and 1204(22) of the Catalist Rules)

The Company has raised net cash proceeds amounting to S$3,906,500 ("Net Proceeds") from the placement completed on 9 July 2025 and the utilisation as at the date of this Annual Report is as follow:-

| Intended Use of Net Proceeds | Amount of Net Proceeds allocated (S$'000) | Amount Utilised as at the date of this Annual Report (S$'000) | Balance of Net Proceeds as at the date of this Annual Report (S$'000) |
|---|---|---|---|
| General working capital purposes | 3,907 | – | 3,907 |
| Total | 3,907 | – | 3,907 |

# Directors' **Statement**

The directors present their statement together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2025.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 84 to 127 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at March 31, 2025, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1. Directors

The directors of the Company in office at the date of this statement are as follows:

Kew Boon Kee
Sim Hock Heng
Lee Tien Chiat
Ng Lip Chi, Lawrence
Chan Hock Leong
Latiff Bin Ibrahim

## 2. Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

# Directors' **Statement**

## 3. Directors' Interests in Shares and Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

| | Shareholdings registered in name of directors | | Shareholdings in which directors are deemed to have an interest | |
|---|---|---|---|---|
| **Name of directors and Company in which interests are held** | **At beginning of year** | **At end of year** | **At beginning of year** | **At end of year** |
| The Company<br>(Ordinary shares) | | | | |
| Sim Hock Heng | 21,882,675 | 21,882,675 | 110,288,509 | 110,288,509 |
| Kew Boon Kee | 21,882,675 | 21,882,675 | 110,288,509 | 110,288,509 |
| Lee Tien Chiat | 13,282,675 | 13,282,675 | 110,288,509 | 110,288,509 |
| Chan Hock Leong | 100,000 | 100,000 | – | – |

The directors' interests in the share of the Company as at April 21, 2025 were the same at March 31, 2025.

By virtue of Section 7 of the Companies Act 1967, the directors above are deemed to have an interest in all the related corporations of the Company.

## 4. Share Options

*(a) Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

*(b) Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

*(c) Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

## 5. Audit Committee

The Audit Committee of the Company, consisting of all independent and non-executive directors, is chaired by Mr Chan Hock Leong, and includes Mr Ng Lip Chi, Lawrence and Mr Latiff Bin Ibrahim. The Audit Committee has met twice since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) The audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The audit plans of the external auditors;

(d) The consolidated financial statements of the Group and the financial statements of the Company before their submission to the directors of the Company and external auditor's report on those financial statements;

(e) The half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(f) The co-operation and assistance given by the management to the Group's external auditors; and

(g) The re-appointment of the external and internal auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

# Directors' **Statement**

## 6. Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

............................................

Kew Boon Kee

............................................

Sim Hock Heng

June 30, 2025

# Independent **Auditor’s Report**

To the Members of Sanli Environmental Limited

## Report on the Audit of the Financial Statements

### OPINION

We have audited the financial statements of Sanli Environmental Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 84 to 127.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at March 31, 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

| Key audit matter | How the matter was addressed in the audit |
|---|---|
| *Revenue recognition of engineering, procurement and construction ("EPC") contracts*<br><br>The Group is involved in EPC contracts with customers for which it applies cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs ("input method") to measure the Group's progress towards complete satisfaction of a performance obligation and recognise revenue over time in accordance with SFRS(I) 15 *Revenue from Contracts with Customers.*<br><br>Significant judgement is required from management and project teams to estimate the total cost on completion. The uncertainty and subjectivity involved in determining the total cost on completion may result in a significant impact to the revenue recognised during the year as disclosed in Note 3.<br><br>The accounting policy for revenue recognition of EPC contracts is disclosed in Note 2 and the amount of revenue recognised based on input method is disclosed in Note 22. | The following procedures were performed:<br><br>• Obtained an understanding and evaluated the design and implementation of the relevant controls associated with revenue recognition, cost recognition and total cost estimation;<br><br>• Performed substantive tests of details on a sampling basis for the costs incurred during the reporting period and checked that costs incurred were recorded in the correct accounting period;<br><br>• Obtained the estimated total costs on completion and assessed the reasonableness of the estimates used by management, including on a sampling basis, agreed the estimates to the supporting documents and performed retrospective review where relevant;<br><br>• Discussed with management on any potential project delays or cost overruns which cannot be recovered from customers, including risk of liquidated damages or defect liability;<br><br>• Agreed the contract sum or any variation orders to the signed agreements for selected projects; and<br><br>• Re-computed the percentage of progress of the contracts based on input method to test the accuracy of the percentage of progress used to recognise revenue. |

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent **Auditor's Report**

To the Members of Sanli Environmental Limited

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hoe Chi-Hsien.

Public Accountants and
Chartered Accountants
Singapore

Date: June 30, 2025

# Statements of **Financial Position**

March 31, 2025

| | Note | Group 2025 $'000 | Group 2024 $'000 | Company 2025 $'000 | Company 2024 $'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and bank balances | 7 | 7,391 | 6,431 | 80 | 17 |
| Trade and other receivables | 8 | 19,555 | 20,779 | 4,741 | 2,162 |
| Contract assets | 10 | 73,928 | 62,085 | – | – |
| | | 100,874 | 89,295 | 4,821 | 2,179 |
| Assets classified as held for sale | 9 | 3,826 | 6,625 | – | – |
| Total current assets | | 104,700 | 95,920 | 4,821 | 2,179 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 11 | 19,131 | 19,637 | – | – |
| Right-of-use assets | 12 | 1,886 | 2,068 | – | – |
| Investment in subsidiaries | 13 | – | – | 21,755 | 21,755 |
| Deferred tax assets | 18 | 57 | 57 | – | – |
| Total non-current assets | | 21,074 | 21,762 | 21,755 | 21,755 |
| **Total assets** | | 125,774 | 117,682 | 26,576 | 23,934 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Borrowings | 14 | 43,528 | 27,826 | 3,274 | – |
| Trade and other payables | 15 | 37,045 | 42,749 | 364 | 230 |
| Contract liabilities | 10 | 590 | 106 | – | – |
| Lease liabilities | 16 | 119 | 115 | – | – |
| Income tax payable | | 248 | 548 | – | – |
| | | 81,530 | 71,344 | 3,638 | 230 |
| Liabilities directly associated with assets classified as held for sale | 9 | 676 | 985 | – | – |
| Total current liabilities | | 82,206 | 72,329 | 3,638 | 230 |
| **Non-current liabilities** | | | | | |
| Borrowings | 14 | 8,554 | 11,148 | – | – |
| Lease liabilities | 16 | 1,325 | 1,444 | – | – |
| Provisions | 17 | 547 | 547 | – | – |
| Deferred tax liabilities | 18 | 116 | 198 | – | – |
| Total non-current liabilities | | 10,542 | 13,337 | – | – |

# Statements of **Financial Position**

March 31, 2025

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | **2025** | **2024** | **2025** | **2024** |
| | | **$'000** | **$'000** | **$'000** | **$'000** |
| **Capital, reserves and non-controlling interests** | | | | | |
| Share capital | 19 | 21,297 | 21,297 | 21,297 | 21,297 |
| Treasury shares | 20 | (119) | (165) | (119) | (165) |
| Translation reserves | | (197) | (226) | – | – |
| Merger reserve | 21 | (6,755) | (6,755) | – | – |
| Capital reserve | 21 | 531 | 521 | 10 | – |
| Retained earnings | | 17,956 | 17,288 | 1,750 | 2,572 |
| Equity attributable to owners of the Company | | 32,713 | 31,960 | 22,938 | 23,704 |
| Non-controlling interests | | 313 | 56 | – | – |
| Total equity | | 33,026 | 32,016 | 22,938 | 23,704 |
| **Total liabilities and equity** | | 125,774 | 117,682 | 26,576 | 23,934 |

See accompanying notes to financial statements.

# Consolidated Statement of **Comprehensive Income**

Year ended March 31, 2025

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| **Revenue** | 22 | 157,572 | 130,551 |
| Cost of contract works | | (142,871) | (114,312) |
| **Gross profit** | | 14,701 | 16,239 |
| Other income | 23 | 1,533 | 547 |
| Administrative expenses | | (9,391) | (9,209) |
| Other operating expenses | | (2,475) | (1,898) |
| Finance costs | 24 | (2,315) | (1,668) |
| **Profit before tax** | | 2,053 | 4,011 |
| Income tax expense | 25 | (339) | (1,057) |
| **Profit for the year** | 26 | 1,714 | 2,954 |
| **Other comprehensive income** | | | |
| *Item that may be reclassified subsequently to profit or loss:* | | | |
| Exchange differences on translation of foreign operations | | 51 | (19) |
| **Total comprehensive income for the year** | | 1,765 | 2,935 |
| **Profit for the year attributable to:** | | | |
| Owners of the Company | | 1,541 | 2,922 |
| Non-controlling interests | | 173 | 32 |
| | | 1,714 | 2,954 |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the Company | | 1,570 | 2,898 |
| Non-controlling interests | | 195 | 37 |
| | | 1,765 | 2,935 |
| **Earnings per share:** | | | |
| Basic and diluted (cents) | 27 | 0.58 | 1.09 |

See accompanying notes to financial statements.

# Statements of **Changes In Equity**

Year ended March 31, 2025

| Group | Share capital $'000 | Treasury shares $'000 | Translation reserves $'000 | Merger reserve $'000 | Capital reserve $'000 | Retained earnings $'000 | Equity attributable to owners of the Company $'000 | Non-controlling interests $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2023** | 21,297 | (165) | (202) | (6,755) | 521 | 16,412 | 31,108 | 19 | 31,127 |
| *Total comprehensive income for the year:* | | | | | | | | | |
| Profit for the year | – | – | – | – | – | 2,922 | 2,922 | 32 | 2,954 |
| Other comprehensive loss for the year | – | – | (24) | – | – | – | (24) | 5 | (19) |
| Total | – | – | (24) | – | – | 2,922 | 2,898 | 37 | 2,935 |
| *Transactions with owners, recognised directly in equity:* | | | | | | | | | |
| Dividends (Note 28) | – | – | – | – | – | (2,046) | (2,046) | – | (2,046) |
| **Balance as at March 31, 2024** | 21,297 | (165) | (226) | (6,755) | 521 | 17,288 | 31,960 | 56 | 32,016 |
| *Total comprehensive income for the year:* | | | | | | | | | |
| Profit for the year | – | – | – | – | – | 1,541 | 1,541 | 173 | 1,714 |
| Other comprehensive income for the year | – | – | 29 | – | – | – | 29 | 22 | 51 |
| Total | – | – | 29 | – | – | 1,541 | 1,570 | 195 | 1,765 |
| *Transactions with owners, recognised directly in equity:* | | | | | | | | | |
| Dividends (Note 28) | – | – | – | – | – | (873) | (873) | – | (873) |
| Performance share awarded | – | 46 | – | – | (46) | – | – | – | – |
| Share-based payments | – | – | – | – | 56 | – | 56 | – | 56 |
| Effect from the divestment of ownership in subsidiaries | – | – | – | – | – | * | * | 62 | 62 |
| Total | – | 46 | – | – | 10 | (873) | (817) | 62 | (755) |
| **Balance as at March 31, 2025** | 21,297 | (119) | (197) | (6,755) | 531 | 17,956 | 32,713 | 313 | 33,026 |

* less than S$1,000

# Statements of **Changes In Equity**

Year ended March 31, 2025

| Company | Share capital $'000 | Treasury shares $'000 | Capital reserve $'000 | Retained earnings $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance as at April 1, 2023** | 21,297 | (165) | – | 603 | 21,735 |
| Profit for the year representing total comprehensive income for the year | – | – | – | 4,015 | 4,015 |
| *Transactions with owners, recognised directly in equity:* | | | | | |
| Dividends (Note 28) | – | – | – | (2,046) | (2,046) |
| **Balance as at March 31, 2024** | 21,297 | (165) | – | 2,572 | 23,704 |
| Profit for the year representing total comprehensive income for the year | – | – | – | 51 | 51 |
| *Transactions with owners, recognised directly in equity:* | | | | | |
| Dividends (Note 28) | – | – | – | (873) | (873) |
| Performance share awarded | – | 46 | (46) | – | – |
| Share-based payments | – | – | 56 | – | 56 |
| **Balance as at March 31, 2025** | 21,297 | (119) | 10 | 1,750 | 22,938 |

See accompanying notes to financial statements.

# Consolidated Statement of **Cash Flows**

Year ended March 31, 2025

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| **Operating activities** | | |
| Profit before tax | 2,053 | 4,011 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 2,581 | 1,606 |
| Depreciation of right-of-use assets | 182 | 268 |
| Gain on disposal of property, plant and equipment | (19) | – |
| Gain on disposal of assets classified as held for sale | (480) | – |
| Property, plant and equipment written off | – | 32 |
| Share-based payment expenses | 56 | – |
| Finance costs | 2,315 | 1,668 |
| Interest income | (127) | (156) |
| Exchange differences | 64 | (20) |
| Operating cash flows before movements in working capital | 6,625 | 7,409 |
| Trade and other receivables | 1,224 | (1,758) |
| Trade and other payables | (4,567) | (272) |
| Contract assets | (11,843) | (15,586) |
| Contract liabilities | 484 | (5,541) |
| Cash used in operations | (8,077) | (15,748) |
| Income tax paid | (721) | (1,053) |
| Net cash used in operating activities | (8,798) | (16,801) |
| **Investing activities** | | |
| Purchases of property, plant and equipment (Note B) | (3,243) | (17,561) |
| Proceeds from disposal of property, plant and equipment | 37 | – |
| Proceeds from disposal of assets classified as held for sale | 3,000 | – |
| Proceeds from partial disposal of interest in subsidiary | 62 | – |
| Interest received | 127 | 156 |
| Net cash used in investing activities | (17) | (17,405) |
| **Financing activities** | | |
| Dividends paid | (873) | (2,046) |
| Proceeds from borrowings | 16,844 | 26,307 |
| Repayment of borrowings | (3,736) | (1,549) |
| Repayment of lease liabilities | (145) | (209) |
| Interest paid | (2,315) | (1,668) |
| Net cash from financing activities | 9,775 | 20,835 |
| Net increase (decrease) in cash and cash equivalents | 960 | (13,371) |
| Cash and cash equivalents at beginning of financial year | 2,620 | 15,991 |
| **Cash and cash equivalents at end of financial year (Note A)** | 3,580 | 2,620 |

See accompanying notes to financial statements.

# Consolidated Statement of **Cash Flows**

Year ended March 31, 2025

Note A:

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprised:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Cash at bank and on hand | 3,312 | 2,446 |
| Fixed deposits | 4,079 | 3,985 |
| | 7,391 | 6,431 |
| Less: Pledged fixed deposits | (3,811) | (3,811) |
| **Cash and cash equivalents as per consolidated statement of cash flows** | 3,580 | 2,620 |

Note B: As at March 31, 2025, trade and other payables at the end of the year includes amount payable for the purchase of property, plant and equipment amounting to $Nil (2024 : $1,137,000).

## 1. General Information

The Company (Registration No. 201705316M) is incorporated in Singapore with its principal place of business and registered office at 22 Chin Bee Drive, Singapore 619870. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on June 8, 2017. The financial statements are expressed in Singapore dollars which is also the functional currency of the Company.

The principal activities of the Company are those of investment holding and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 13.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended March 31, 2025 were authorised for issue by the Board of Directors on June 30, 2025.

1.1 BASIS OF PREPARATION- The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)").

1.2 ADOPTION OF NEW AND REVISED STANDARDS - In the current year, the Group and the Company adopted all the new and revised SFRS(I) Accounting Standards that are mandatory and relevant to its operations and effective for an accounting period that begins on or after April 1, 2024. The following are the new/revised SFRS(I) standards that are relevant to the Group:

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

The Group has adopted Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* and Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants* from January 1, 2024. The amendments apply retrospectively and clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period.

The adoption of the above new/revised SFRS(I) standards did not have any material impact on the financial statements of the Group.

1.3 STANDARDS ISSUED BUT NOT EFFECTIVE – At the date of authorisation of these financial statements, the following new standards, interpretations and amendments to standards that are relevant to the Group and the Company were issued but not effective during the financial year:

**SFRS(I) 18: *Presentation and Disclosure in Financial Statements***

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. SFRS(I) 18 carries forward many of the requirements from SFRS(I) 1-1 unchanged but introduces newly defined subtotals to be presented in the Consolidated Income Statement, disclosure of management-defined performance measures and requirements for grouping of information. The Group is still in the process of assessing the impact of the new standard.

## 1. General Information (Cont'd)

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's balance sheet.

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s – Volume 11

## 2. Material Accounting Policy Information

SUBSIDIARIES - Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the Group's significant subsidiaries and composition of the Group are disclosed in Note 13.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Company's separate financial statements

Investments in subsidiaries in the Company's separate financial statements are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the respective Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

## 2. Material Accounting Policy Information (Cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon the disposal of the entire interest in a foreign operation during the year, all of the exchange differences accumulated in the foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. Any exchange differences that have been previously attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

FAIR VALUE MEASUREMENT - Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

## 2. Material Accounting Policy Information (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of assets within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to the Financial Statements

For the financial year ended 31 March 2025

## 2. Material Accounting Policy Information (Cont'd)

**Financial assets (cont'd)**

*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income, if any, is recognised in profit or loss using effective interest method and is included in the "other income" line item.

<u>Foreign exchange gains and losses</u>

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Net exchange differences are recognised in profit or loss in the "other operating expenses" line item.

<u>Impairment of financial assets</u>

The Group and the Company recognises a loss allowance for expected credit losses ("ECL") on trade receivables, other receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## 2. Material Accounting Policy Information (Cont'd)

**Financial assets (cont'd)**

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate.

*Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

*Measurement and recognition of expected credit losses*

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

## 2. Material Accounting Policy Information (Cont'd)

**Financial liabilities and equity instruments (cont'd)**

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Treasury shares

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as Treasury shares within equity. When the treasury shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are recognised in equity.

Financial liabilities at amortised cost

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

Interest-bearing borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost, the fair value of financial liabilities that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Net exchange differences are recognised in profit or loss in the "other operating expenses" line item.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

CONTRACT ASSETS AND LIABILITIES - A contract asset is recognised when the Group has performed services under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed services under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs services under the contract.

## 2. Material Accounting Policy Information (Cont'd)

LEASES (AS LESSEE) - The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise mainly fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy similar to that adopted for property, plant and equipment.

## 2. Material Accounting Policy Information (Cont'd)

Depreciation is charged over the lease terms, using the straight-line method, on the following bases:

| | |
|---|---|
| Leasehold properties | 12 years |

The right-of-use assets are presented as a separate line in the statement of financial position.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost less residual values, over their estimated useful lives, using the straight-line method, on the following bases:

| | |
|---|---|
| Motor vehicles | 2 to 10 years |
| Office equipment | 3 to 10 years |
| Leasehold properties | Over the lease term of 12 years |
| Renovation | 5 to 10 years |
| Furniture and fittings | 5 years |
| Workshop equipment | 5 to 10 years |

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## 2. Material Accounting Policy Information (Cont'd)

INTERESTS IN A JOINT OPERATION – A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under a joint operation, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the SFRS(I)s applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION – Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

## 2. Material Accounting Policy Information (Cont'd)

Engineering, procurement and construction contracts

The Group constructs facilities that are stated in the contract and it is common to have a warranty period included in the contract. The Group's performance creates an asset with no alternative use to the Group, as each construction project is customised to the customer's needs and is physically built at the customer's premises or at a location that the customer controls, hence the asset cannot be resold to another customer. The Group has an enforceable right to payment for work done. Contract revenue is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

The Group becomes entitled to invoice customers for construction of facilities based on achieving a series of performance-related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost–to–cost method then the Group recognises a contract liability for the difference. Financing component in construction contracts with customers is not considered to be significant as the period between the recognition of revenue under the cost–to–cost method and payment from customer is always less than one year.

Operations and maintenance services

The Group provides maintenance services to customers throughout the contract or defect liability period. Revenue relating to the maintenance services is recognised over time when the customer simultaneously receives and consumes the benefits as the Group performs the services (i.e. the monthly maintenance services performed).

Other revenue

Revenue from the sale of chemical is recognised by the Group at the point in time when control of the goods has transferred to the customer, generally on delivery of the goods.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

## 2. Material Accounting Policy Information (Cont'd)

INCOME TAX – Income tax expense represents the sum of current and deferred tax. It is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise fixed deposits, cash on hand and cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are subsequently measured at amortised cost.

## 3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's material accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

***Critical judgements in applying the Group's material accounting policies***

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are discussed below.

(i) Revenue recognition of engineering, procurement and construction ("EPC") contracts

The Group recognises contract revenue by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period. Progress towards complete satisfaction of a performance obligation is measured based on input method.

Significant judgement is required to estimate the total cost on completion. The uncertainty and subjectivity involved in determining the total cost on completion may result in a significant impact to the revenue recognised during the year.

Management has reviewed the estimates, which are based on either committed purchases, quotations provided by vendors and/or and historical experience. Management is satisfied that the estimates are realistic based on the information available, and that total project costs do not exceed total project revenue for each individual contract that is ongoing as at the end of the reporting period.

The amount of contract revenue recognised based on input method is disclosed in Note 22. The carrying amounts of contract assets and contract liabilities arising from EPC contracts are disclosed in Note 10.

(ii) Loss allowance of receivables and contract assets

The Group assesses at each reporting date the allowance required for its receivables and contract assets. The Group considers factors such as the probability of significant difficulties of the receivables and contract assets, historical defaults or significant delay in payments and economic conditions. Significant judgment is made by management in determining the amount and timing of future cash flows, estimated based on historical loss experience for assets with similar credit risk characteristics, and any relevant forward-looking adjustments, including taking into consideration the credit-worthiness, past collection history, settlement arrangements, subsequent receipts and on-going dealings with the balance.

The carrying amounts of trade and other receivables and contract assets are disclosed in Notes 8 and 10 respectively.

## 4. Financial Instruments, Financial Risks and Capital Management

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| **Financial assets** | | | | |
| - amortised cost | 21,400 | 21,601 | 4,772 | 2,150 |
| **Financial liabilities** | | | | |
| - amortised cost | 89,674 | 82,270 | 3,638 | 230 |
| - lease liabilities | 1,444 | 1,559 | – | – |

### (b) Financial risk management policies and objectives

(i) Foreign exchange risk management

The Group's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar, Malaysia Ringgit and Euro against the Singapore dollar.

At each reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Group entities' functional currencies are as follows:

| | Group | | | |
|---|---|---|---|---|
| | Assets | | Liabilities | |
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| United States dollar | 118 | 88 | 2,381 | 3,090 |
| Malaysia ringgit | 81 | 69 | 2,564 | 1,897 |
| Myanmar kyat | 946 | 57 | 410 | 11 |
| Euro | – | – | 1,204 | 3,598 |

## 4. Financial Instruments, Financial Risks and Capital Management (Cont'd)

### (b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

*Foreign currency sensitivity*

The sensitivity rate of 10% represents management's assessment of the possible change in foreign exchange rates.

If the relevant foreign currencies strengthen by 10% against the Group entity's functional currencies, the Group's profit before tax will increase (decrease) by:

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| United States dollar | (226) | (300) |
| Malaysia ringgit | (248) | (183) |
| Myanmar kyat | 54 | 5 |
| Euro | (120) | (360) |

If the relevant foreign currencies weaken by 10% against the Group entity's functional currencies, the impact on the Group's profit before tax would be vice versa.

The Company is not exposed to foreign exchange risk as it does not have monetary assets and monetary liabilities denominated in foreign currencies.

(ii) Interest rate risk management

The Group is exposed to interest rate risk mainly through certain variable interest rate borrowings (Note 14).

*Interest rate sensitivity*

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the reporting period and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used as it represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the Group's profit before tax would decrease/increase by $205,000 (2024 : $153,000).

The Company is not exposed to interest rate risk as it does not have interest-bearing assets and liabilities.

(iii) Equity price risk management

The Group and the Company are not exposed to any significant equity price risk as management has assessed the impact to be immaterial.

## 4. Financial Instruments, Financial Risks and Capital Management (Cont'd)

### (b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group only grants credit to creditworthy counterparties, based on the credit evaluation process performed by management. Bank balances are held with creditworthy financial institutions.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets and contract assets.

The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for recognising expected credit losses (ECL) |
|---|---|---|
| Performing | The counterparty has a low risk of default and does not have any past due amounts. | 12-month ECL |
| Doubtful | Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition unless the Group has reasonable and supportable information that amount is subjected to low credit risk. | Lifetime ECL – not credit-impaired |
| In default | Amount is >90 days past due or there is evidence indicating the asset is credit-impaired unless the Group has reasonable and supportable information that amount is subjected to low credit risk. | Lifetime ECL – credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. | Amount is written off |

Further details of the credit quality and maximum exposure to credit risk of the Group's financial assets and contract assets are disclosed in Notes 8 and 10 respectively.

The Group has concentration of credit risk as 66% (2024 : 76%) of trade receivables are due from 3 third parties (2024 : 3 third parties). The Group considers these debtors to be of good credit quality.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the year in relation to each class of recognised financial assets and contract assets are the carrying amount of those assets as stated in the statement of financial position.

The maximum credit exposure of the corporate guarantees given by the Company is the carrying amount of the borrowings as disclosed in Note 14, covering the time until maturity of the underlying bank loan.

The Group has assessed the past due status of the debts under guarantee, the financial position of the borrower as well as the economic outlook of the industries in which the borrower operates, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance is measured at an amount equal to 12-month ECL. Management determines the financial guarantee contract are subject to immaterial credit loss.

## 4. Financial Instruments, Financial Risks and Capital Management (Cont'd)

### (b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management

The Group and the Company monitor its liquidity risk and maintains a level of bank balances deemed adequate by management to finance its operations and to mitigate the effects of fluctuations in cash flows. Liquidity risk is further managed by matching the payment and receipt cycle.

*Liquidity and interest risk analyses*

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the consolidated statement of financial position.

| Group | Weighted average effective interest rate | On demand or within 1 year | Within 2 to 5 years | After 5 years | Adjustment | Total |
|---|---|---|---|---|---|---|
| | % | $'000 | $'000 | $'000 | $'000 | $'000 |
| **2025** | | | | | | |
| Non-interest bearing | – | 37,045 | 547 | – | – | 37,592 |
| Variable interest rate instruments | 2.0 | 34,383 | 7,927 | 951 | (2,203) | 41,058 |
| Fixed interest rate instruments | 4.9 | 10,457 | 841 | – | (274) | 11,024 |
| Lease liabilities (fixed rate) | 3.2 | 162 | 648 | 882 | (248) | 1,444 |
| Total | | 82,047 | 9,963 | 1,833 | (2,725) | 91,118 |
| **2024** | | | | | | |
| Non-interest bearing | – | 42,749 | 547 | – | – | 43,296 |
| Variable interest rate instruments | 2.0 | 21,326 | 8,449 | 3,360 | (2,630) | 30,505 |
| Fixed interest rate instruments | 4.0 | 7,392 | 1,208 | – | (131) | 8,469 |
| Lease liabilities (fixed rate) | 3.2 | 162 | 648 | 1,044 | (295) | 1,559 |
| Total | | 71,629 | 10,852 | 4,404 | (3,056) | 83,829 |

## 4. Financial Instruments, Financial Risks and Capital Management (Cont'd)

### (b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

*Liquidity and interest risk analyses (cont'd)*

Non-derivative financial liabilities (cont'd)

| Company | Weighted average effective interest rate | On demand or within 1 year | Within 2 to 5 years | After 5 years | Adjustment | Total |
|---|---|---|---|---|---|---|
| | % | $'000 | $'000 | $'000 | $'000 | $'000 |
| **2025** | | | | | | |
| Non-interest bearing | – | 364 | – | – | – | 364 |
| Fixed interest rate instruments | 5.45 | 3,452 | – | – | (178) | 3,274 |
| Total | | 3,816 | – | – | (178) | 3,638 |
| **2024** | | | | | | |
| Non-interest bearing | – | 230 | – | – | – | 230 |

Non-derivative financial assets

All financial assets of the Group and the Company are due on demand or within one year from the end of the reporting periods and are non-interest bearing, except for fixed deposits as disclosed in Note 7.

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. Management is of the view that the carrying amounts of borrowings and leases liabilities approximate their respective fair values as the interest rates approximate the prevailing market rates.

The Group and the Company has no financial assets and financial liabilities that are measured at fair value on a recurring basis.

### (c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt and equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings. The Group is required to maintain specific financial ratio in order to comply with covenants in loan agreements with banks. The Group is in compliance with external imposed capital requirements.

The Group's overall strategy remains unchanged from the preceding year.

## 5. Holding Company and Related Company Transactions

The Company is a subsidiary of Typha Holdings Pte. Ltd., incorporated in Singapore, which is also the Company's ultimate holding company.

Related companies in these financial statements refer to the subsidiaries of the Company. Transactions and arrangements between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between members of the Group have been eliminated on consolidation and are therefore not disclosed in this note.

## 6. Other Related Party Transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

***Compensation of directors and key management personnel***

The remuneration of directors and other members of key management during the year was as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Short-term benefits | 2,360 | 2,635 |
| Post-employment benefits | 86 | 87 |
| | 2,446 | 2,722 |

## 7. Cash and Bank Balances

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| Fixed deposits | 4,079 | 3,985 | – | – |
| Cash at bank and on hand | 3,312 | 2,446 | 80 | 17 |
| | 7,391 | 6,431 | 80 | 17 |

As at March 31, 2025, the Group's fixed deposits bear an average effective interest rate of 2.11% (2024 : 2.86%) per annum with tenure of 1 to 3 months (2024 : 3 months). The fixed deposits can be readily convertible into cash and are subject to an insignificant risk of changes in value.

Fixed deposits with carrying amounts of $3,811,000 (2024 : $3,811,000) have been pledged as security for certain of the Group's borrowings.

## 8. Trade and Other Receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| Trade receivables | 8,404 | 11,066 | 5 | 9 |
| Accrued revenue | 4,720 | 3,270 | – | – |
| Amount due from a subsidiary | – | – | 4,687 | 2,124 |
| Deposits | 478 | 534 | – | – |
| Prepayments | 5,546 | 5,609 | 49 | 29 |
| Other receivables | 407 | 300 | – | – |
| | 19,555 | 20,779 | 4,741 | 2,162 |

As at April 1, 2023, the Group's trade receivables and accrued revenue from contracts with customers amounted to $11,090,000 and $2,922,000 respectively.

**Trade receivables and accrued revenue**

The credit period ranges from 21 to 60 days (2024 : 21 to 60 days) and non-interest bearing. Loss allowance for trade receivables and accrued revenue have always been measured at an amount equal to lifetime ECL. The ECL on trade receivables and accrued revenue are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There are no loss allowances for the respective financial years ended. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for trade receivables and accrued revenue.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. There are no trade receivables that have been written off in the respective financial years ended.

Accrued revenue are recognised for revenue earned from maintenance services contracts when the Group has performed services and accepted by customer but has yet to bill the customer.

The Group's trade receivables past due amounted to $1,318,000 (2024 : $834,000). The Group has not recognised loss allowance against these receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

## 8. Trade and Other Receivables (Cont'd)

**Other receivables**

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment as the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to the 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management determines the other receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

**Amount due from a subsidiary**

For purpose of impairment assessment, the receivables are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the subsidiary and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to the 12-month ECL.

In determining the ECL, management has taken into account the financial position of the subsidiary, adjusted for factors that are specific to the subsidiary and general economic conditions of the industry in which the subsidiary operates, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the receivables from the subsidiary are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amount due from the subsidiary.

## 9. Disposal Group Classified as Held for Sale

In July 2023, management resolved to grant an option to interested party to purchase (the "Option") a leasehold property located at 15 Kian Teck Drive, Singapore 628832 at a purchase consideration of S$3,000,000, on the terms and subject to the conditions of the Option. The sale was completed in the financial year ended March 31, 2025.

In July 2023, management resolved to dispose a leasehold property located at 28 Kian Teck Drive, Singapore 628845. The property is available in its present condition and the Group is committed to a plan to sell the property and an active programme to locate a buyer and complete the plan have been initiated. The sale was completed subsequent to the current year end in April 2025 (Note 32).

The sale of the leasehold property is expected to be completed within twelve months, has been classified as a disposal group held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, and are presented separately in the statement of financial position as at March 31, 2024 and March 31, 2025.

The proceeds of disposal are expected to exceed the net carrying amount of the related net assets and accordingly no impairment loss has been recognised on the classification of this disposal group as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Property, plant and equipment | 3,169 | 5,708 |
| Right-of-use assets | 657 | 917 |
| Assets classified as held for sale | 3,826 | 6,625 |
| Lease liabilities, and total liabilities directly associated with assets classified as held for sale | (676) | (985) |
| Net assets of disposal group | 3,150 | 5,640 |

## 10. Contract Assets/Contract Liabilities

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| **Engineering, procurement and construction contracts:** | | |
| Contract assets | 73,928 | 62,085 |
| Contract liabilities | 590 | 106 |

## 10. Contract Assets/Contract Liabilities (Cont'd)

**Contract assets**

Amounts relating to engineering, procurement and construction contracts are balances due from customers under contracts that arise when the Group has performed services under the contract but has yet to bill the customer, representing work performed in excess of payments received to date. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

As at April 1, 2023, the Group has contract assets amounting to $46,499,000. During the year, the significant increase (2024 : increase) in the contract asset balances was due to increases from ongoing projects and commencement of new projects during the reporting period, partially offset with decrease due to billings made.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry in which the customers operate. None of the amounts due from customers at the end of the reporting period is past due. As there was no historical credit loss experience by the Group, no loss allowance has been made.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for contract assets.

**Contract liabilities**

Amounts relating to engineering, procurement and construction contracts are balances due to customers under contracts that arise when a particular milestone payment exceeds the revenue recognised to date under the input method.

As at April 1, 2023, the Group has contract liabilities amounting to $5,647,000. During the year, the significant increase (2024 : decrease) in the contract liability balances was due to more (2024 : lesser) advance billing for projects compared to revenue recognised during the reporting period.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

The Group's revenue recognised that was included in the contract liabilities balance at the beginning of the period:

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Engineering, procurement and construction contracts | 106 | 5,647 |

## 11. Property, Plant and Equipment

| Group | Motor vehicles $'000 | Office equipment $'000 | Leasehold properties $'000 | Renovation $'000 | Furniture and fittings $'000 | Workshop equipment $'000 | Work-in-progress $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| At April 1, 2023 | 2,175 | 1,443 | 8,299 | 2,057 | 694 | 294 | – | 14,962 |
| Additions | 621 | 159 | 14,731 | 2,655 | 490 | 42 | – | 18,698 |
| Disposals | (82) | (1) | – | – | – | – | – | (83) |
| Write off | – | – | – | (1,266) | – | – | – | (1,266) |
| Reclassification | 96 | – | – | – | – | – | – | 96 |
| Reclassified as held for sale (Note 9) | – | – | (8,299) | – | – | – | – | (8,299) |
| Exchange differences | 7 | (6) | – | 5 | – | (1) | – | 5 |
| At March 31, 2024 | 2,817 | 1,595 | 14,731 | 3,451 | 1,184 | 335 | – | 24,113 |
| Additions | 107 | 379 | – | 98 | 11 | 865 | 646 | 2,106 |
| Disposals | (144) | – | – | – | – | – | – | (144) |
| Write off | – | – | – | – | – | (37) | – | (37) |
| Reclassification | – | – | – | (988) | – | 988 | – | – |
| Exchange differences | 1 | (5) | – | (1) | – | 1 | – | (4) |
| At March 31, 2025 | 2,781 | 1,969 | 14,731 | 2,560 | 1,195 | 2,152 | 646 | 26,034 |
| **Accumulated depreciation:** | | | | | | | | |
| At April 1, 2023 | 1,113 | 985 | 2,348 | 1,290 | 688 | 268 | – | 6,692 |
| Depreciation | 321 | 230 | 652 | 347 | 39 | 17 | – | 1,606 |
| Disposals | (82) | (1) | – | – | – | – | – | (83) |
| Write off | – | – | – | (1,234) | – | – | – | (1,234) |
| Reclassification | 84 | – | – | – | – | – | – | 84 |
| Reclassified as held for sale (Note 9) | – | – | (2,591) | – | – | – | – | (2,591) |
| Exchange differences | 2 | (1) | – | 1 | – | – | – | 2 |
| At March 31, 2024 | 1,438 | 1,213 | 409 | 404 | 727 | 285 | – | 4,476 |
| Depreciation | 338 | 214 | 1,227 | 465 | 101 | 236 | – | 2,581 |
| Disposals | (125) | – | – | – | – | – | – | (125) |
| Write off | – | – | – | – | – | (37) | – | (37) |
| Exchange differences | 6 | 2 | – | – | – | – | – | 8 |
| At March 31, 2025 | 1,657 | 1,429 | 1,636 | 869 | 828 | 484 | – | 6,903 |
| **Carrying amount:** | | | | | | | | |
| At March 31, 2024 | 1,379 | 382 | 14,322 | 3,047 | 457 | 50 | – | 19,637 |
| At March 31, 2025 | 1,124 | 540 | 13,095 | 1,691 | 367 | 1,668 | 646 | 19,131 |

The Group's borrowings (Note 14) are secured by mortgage of leasehold properties with carrying amounts of $13,095,000 (2024 : $14,322,000).

## 12. Right-of-Use Assets

| Group | Motor vehicles<br>$'000 | Leasehold properties<br>$'000 | Dormitories<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Cost:** | | | | |
| At April 1, 2023 | 96 | 1,176 | 492 | 1,764 |
| Additions | – | 2,170 | – | 2,170 |
| Disposal | – | – | (492) | (492) |
| Reclassification | (96) | – | – | (96) |
| Reclassified as held for sale (Note 9) | – | (1,176) | – | (1,176) |
| At March 31, 2024 and March 31, 2025 | – | 2,170 | – | 2,170 |
| **Accumulated depreciation:** | | | | |
| At April 1, 2023 | 76 | 203 | 175 | 454 |
| Depreciation | 8 | 158 | 102 | 268 |
| Disposal | – | – | (277) | (277) |
| Reclassification | (84) | – | – | (84) |
| Reclassified as held for sale (Note 9) | – | (259) | – | (259) |
| At March 31, 2024 | – | 102 | – | 102 |
| Depreciation | – | 182 | – | 182 |
| At March 31, 2025 | – | 284 | – | 284 |
| **Carrying amount:** | | | | |
| At March 31, 2024 | – | 2,068 | – | 2,068 |
| At March 31, 2025 | – | 1,886 | – | 1,886 |

The Group leases motor vehicles, leasehold properties and dormitories. The lease terms are 12 years (2024 : 12 to 27 years).

The Group has option to extend certain leasehold property at the end of the lease term, subject to approval by authorities.

The Group's lease liabilities (Note 16) are secured by lessors' title to the motor vehicles and leasehold properties.

## 13. Investment in Subsidiaries

| | Company | |
|---|---|---|
| | 2025<br>$'000 | 2024<br>$'000 |
| Unquoted equity shares, at cost | 21,755 | 21,755 |

## 13. Investment in Subsidiaries (Cont'd)

Details of the Group's subsidiaries are as follows:

| Name of subsidiary | Principal activities | Country of incorporation and operation | Effective equity interest of the Group 2025 % | Effective equity interest of the Group 2024 % |
|---|---|---|---|---|
| Sanli M&E Engineering Pte. Ltd. ("Sanli M&E")[(a)] | Engineering, procurement and construction solutions and services in the field of water and waste management. | Singapore | 100 | 100 |
| Held by Sanli M&E | | | | |
| Sanli E&C Pte. Ltd.[(a)] | Engineering, procurement and construction solutions and services in the field of water and waste management. | Singapore | 90 | 100 |
| Enviro Plant & Engineering Pte. Ltd. ("Enviro")[(a)] | General contractors and environmental engineering design and consultancy services. | Singapore | 90 | 100 |
| Mag Chemical Pte. Ltd.[(a)] | Manufacture of water treatment, waste treatment and oilfield chemicals. | Singapore | 100 | 100 |
| Sanli M&E Engineering Sdn. Bhd.[(b)] | Project management, contracting and M&E engineering services in the water treatment industry. | Malaysia | 100 | 100 |
| Sanli Environmental (Myanmar) Co. Ltd. ("Sanli Myanmar")[(c)] | Engineering, procurement and construction solutions and services in the field of water and waste management. | Myanmar | 60 | 60 |
| Sanli-Engreen Co., Ltd.[(d)] | Engineering, procurement and construction solutions and services in solar power generation systems. | Thailand | 51* | 51* |
| Sanli Bina (M) Sdn. Bhd.[(e)] | Comprehensive engineering solutions and waste treatment services. | Malaysia | 100 | – |
| WSH360 Solutions Pte. Ltd.[(a)(f)] | Consultancy and provision of comprehensive safety training programs. | Singapore | 100 | – |
| Held by Sanli Myanmar | | | | |
| Link Control Co. Ltd.[(c)] | Business support and administrative activities. | Myanmar | 86* | 86* |
| Held by Enviro | | | | |
| Zaison Energy Pte. Ltd.[(g)] | Engineering, procurement and construction solutions and services for waste-to-energy gasification projects. | Singapore | 58.5 | – |

## 13. Investment in Subsidiaries (Cont'd)

**Notes:**

(a) Audited by Deloitte & Touche LLP, Singapore.
(b) Audited by William C.H. Tan & Associates, Malaysia.
(c) Audited by JF Group Accounting & Auditing Firm, Myanmar.
(d) Audited by PPS Auditing and Consult Office Co., Ltd., Thailand.
(e) Incorporated on April 5, 2024.
(f) Incorporated on July 15, 2024.
(g) Incorporated on June 10, 2024.
* Include shares under contractual arrangement with the other respective shareholders.

## 14. Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 2025<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'000 |
| Bank loans | 52,082 | 38,974 | 3,274 | – |
| Less: Amount due for settlement within 12 months | (43,528) | (27,826) | (3,274) | – |
| Amount due for settlement after 12 months | 8,554 | 11,148 | – | – |

The bank loans are secured by certain bank deposits, mortgages of leasehold properties (Notes 7, 11 and 12), corporate guarantees from the Company and securities assignment. These loans have maturity dates ranging from February 2026 to August 2030 (2024 : April 2024 to August 2030) and are based on variable and fixed interest rates (2024 : variable and fixed interest rates) accordingly.

| | Group | |
|---|---|---|
| | 2025<br>$'000 | 2024<br>$'000 |
| Undrawn committed borrowing facilities | 2,445 | 3,425 |
| Undrawn uncommitted borrowing facilities | 3,059 | 5,000 |
| | 5,504 | 8,425 |

The Group has undrawn committed borrowing facilities, which are secured by corporate guarantee from the Company. Uncommitted borrowing facilities are reaffirmed by the banks annually, although these can be withdrawn at any time.

In addition to the aforementioned securities and mortgages, as at the reporting date, the Group has several loan agreements that include covenants requiring the maintenance of specified financial ratios and conditions. These primarily relate to net tangible assets, revenue thresholds, and certain non-financial conditions, including requirements regarding local ownership and directorship. The Group was in compliance with all such covenants as at the reporting date.

## 14. Borrowings (Cont'd)

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| Group | Borrowings (Note 14) $'000 | Lease liabilities (Note 16) $'000 | Lease liabilities (Note 9) $'000 | Total $'000 |
|---|---|---|---|---|
| At April 1, 2023 | 14,216 | 1,345 | – | 15,561 |
| Financing cash flows[(i)] | 24,758 | (209) | – | 24,549 |
| New lease liabilities (non-cash) | – | 1,623 | – | 1,623 |
| Early terminated lease (non-cash) | – | (215) | – | (215) |
| Liabilities directly associated with assets classified as held for sale (non-cash) | – | (985) | 985 | – |
| At March 31, 2024 | 38,974 | 1,559 | 985 | 41,518 |
| Financing cash flows[(i)] | 13,108 | (115) | (30) | 12,963 |
| Reduction due to disposal of assets classified as held for sale | – | – | (279) | (279) |
| At March 31, 2025 | 52,082 | 1,444 | 676 | 54,202 |

(i) The cash flows make up the net amount of proceeds from borrowings and repayment of borrowings and lease liabilities in the statement of cash flows.

## 15. Trade and Other Payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Trade payables | 34,376 | 39,982 | 87 | 53 |
| Accruals | 1,461 | 1,988 | 277 | 177 |
| Deferred income | 129 | – | – | – |
| Other payables | 1,079 | 779 | – | – |
| | 37,045 | 42,749 | 364 | 230 |

The credit period on trade payables ranges from 30 to 60 days (2024 : 30 to 60 days). No interest is charged on outstanding balances.

## 16. Lease Liabilities

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Maturity analysis: | | |
| Year 1 | 162 | 162 |
| Year 2 | 162 | 162 |
| Year 3 | 162 | 162 |
| Year 4 | 162 | 162 |
| Year 5 | 162 | 162 |
| Year 6 onwards | 882 | 1,044 |
| | 1,692 | 1,854 |
| Less: Unearned interest | (248) | (295) |
| | 1,444 | 1,559 |
| Analysed as: | | |
| Current | 119 | 115 |
| Non-current | 1,325 | 1,444 |
| | 1,444 | 1,559 |

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 17. Provisions

| **Group** | **Restoration provision** |
|---|---|
| | **$'000** |
| At April 1, 2023 | – |
| Addition provision in the year | 547 |
| At March 31, 2024 and March 31, 2025 | 547 |

The Group recognises the estimated liability for dismantlement, removal or restoration costs if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using an asset. These amounts have not been discounted for the purpose of measuring the restoration provision as management had assessed the effect to be not material.

## 18. Deferred Tax Assets (Liabilities)

The following are deferred tax assets and liabilities recognised by the Group and the movements thereon, during the current and prior reporting periods:

| Group | Right-of-use assets<br>$'000 | Lease liabilities<br>$'000 | Unutilised tax losses<br>$'000 | Accelerated tax depreciation<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| At April 1, 2023 | (224) | 229 | 56 | (55) | 6 |
| (Charge) Credit to profit or loss for the year (Note 25) | (284) | 204 | – | (66) | (146) |
| Exchange differences | – | – | 1 | (2) | (1) |
| At March 31, 2024 | (508) | 433 | 57 | (123) | (141) |
| Adjustment | 156 | (167) | – | 11 | – |
| (Charge) Credit to profit or loss for the year (Note 25) | 31 | (21) | – | 72 | 82 |
| Exchange differences | – | – | * | * | – |
| At March 31, 2025 | (321) | 245 | 57 | (40) | (59) |

* less than $1,000

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Group | |
|---|---|---|
| | 2025<br>$'000 | 2024<br>$'000 |
| Deferred tax assets | 57 | 57 |
| Deferred tax liabilities | (116) | (198) |
| | (59) | (141) |

Subject to the agreement by the tax authorities, at the reporting date, the Group has unutilised tax losses of $332,700 (2024 : $333,800) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses. Included in the unutilised tax losses are losses amounting to $332,700 (2024 : $333,800) of a subsidiary which operates in a tax jurisdiction other than Singapore that will expire in 2025.

## 19. Share Capital

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Number of ordinary shares ('000) | | $'000 | $'000 |
| Issued and paid up: | | | | |
| At beginning of the year | 266,432 | 266,432 | 21,297 | 21,297 |
| Transfer from treasury shares | 615 | – | – | – |
| At end of the year | 267,047 | 266,432 | 21,297 | 21,297 |

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

## 20. Treasury Shares

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Number of ordinary shares ('000) | | $'000 | $'000 |
| At beginning of the year | 2,226 | 2,226 | 165 | 165 |
| Transfer to ordinary shares | (615) | – | (46) | – |
| At end of the year | 1,611 | 2,226 | 119 | 165 |

## 21. Reserves

Merger reserve

Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date when they were acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition using the principles of merger accounting applicable to entities under common control.

Capital reserve

Capital reserve represents equity-settled shares given to employees by the directors of Typha Holdings Pte. Ltd., the ultimate holding company, to recognise and reward the employees for their past contributions and services. The reserve is made up of cumulative market value of shares given to the employees at grant date over the moratorium period commencing from the award of shares to these employees.

## 22. Revenue

The Group derives its revenue from the transfer of services over time in the following major lines. This is consistent with revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (Note 30).

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Over time: | | |
| Engineering, procurement and construction contracts | 111,162 | 104,867 |
| Operations and maintenance services | 44,251 | 22,433 |
| Others | 1,958 | 3,202 |
| At a point in time: | | |
| Others | 201 | 49 |
| | 157,572 | 130,551 |

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period is $161.5 million (2024 : $264.8 million).

Management expects that 73% (2024 : 54%) of the transaction price allocated to the unsatisfied contracts as at March 31, 2025 will be recognised as revenue during the next reporting period amounting to $117.1 million (2024 : $143.6 million). Of the remaining 27% (2024 : 46%), $35.4 million (2024 : $85.3 million) will be recognised as revenue in second year, $8.4 million (2024 : $34.9 million) in third year, $0.3 million (2024 : $1.0 million) in fourth year, and $0.3 million (2024 : $Nil) in fifth year.

## 23. Other Income

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Government grant | 128 | 131 |
| Gain on disposal of property, plant and equipment | 19 | – |
| Gain on disposal of assets classified as held for sale | 480 | – |
| Interest income | 127 | 156 |
| Management fees from joint operation | 35 | 35 |
| Rental income | 546 | 196 |
| Others | 198 | 29 |
| | 1,533 | 547 |

## 24. Finance Costs

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Interest on: | | |
| Borrowings | 2,246 | 1,607 |
| Lease liabilities | 69 | 61 |
| | 2,315 | 1,668 |

## 25. Income Tax Expense

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Current tax | 270 | 567 |
| Deferred tax (Note 18) | (82) | 146 |
| Under provision of current tax in prior years | 151 | 344 |
| | 339 | 1,057 |

Domestic income tax is calculated at 17% (2024 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Profit before tax | 2,053 | 4,011 |
| Income tax expense calculated at statutory rate | 349 | 682 |
| Non-deductible (non-taxable) items - net | (84) | 107 |
| Under provision of current tax in prior years | 151 | 344 |
| Tax exempt income | (40) | (36) |
| Others | (37) | (40) |
| | 339 | 1,057 |

## 26. Profit for the Year

Profit for the year has been arrived at after charging (crediting):

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Employee benefits expenses (including directors' remuneration) | 33,029 | 28,680 |
| Directors' remuneration | 1,725 | 2,017 |
| Cost of defined contribution plans included in employee benefits expenses | 1,589 | 1,496 |
| Net foreign exchange (gain)/loss [1] | (288) | 24 |
| Expenses relating to short-term leases | 3,784 | 3,438 |
| Audit fees: | | |
| - auditors of the Company | 176 | 153 |
| - other auditors | 10 | 28 |
| Total audit fees | 186 | 181 |
| Non-audit fees: | | |
| - other auditors | 32 | 30 |
| Total non-audit fees | 32 | 30 |

(1) Included in other operating expenses.

The total cash outflow for leases amounted to $3,929,000 (2024 : $3,649,000).

## 27. Earnings Per Share

The calculation of the basic and diluted earnings per share ("EPS") attributable to the ordinary owners of the Company is based on the following data:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| Profit for the year attributable to owners of the Company ($'000) | 1,541 | 2,922 |
| Weighted average number of ordinary shares | 266,841,110 | 267,646,490 |
| EPS - Basic and diluted (cents) | 0.58 | 1.09 |

There were no dilutive equity instruments for 2025 and 2024.

## 28. Dividends

During the financial year ended March 31, 2024, the Company declared and paid a final 1-tier tax exempt dividend of $0.00768 per ordinary share amounting to $2,046,198 for the financial year ended March 31, 2023 to the shareholders.

During the financial year ended March 31, 2025, the Company declared and paid a final 1-tier tax exempt dividend of $0.00327 per ordinary share amounting to $873,244 for the year ended March 31, 2024 to the shareholders.

Subsequent to March 31, 2025, the Company proposes a final 1-tier tax exempt dividend of $0.00173 per ordinary share amounting to $461,992 for the year ended March 31, 2025 to the shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

## 29. Operating Lease Arrangements

**The Group as lessee**

At March 31, 2025, the Group is committed to $702,000 (2024 : $526,000) for short-term leases.

## 30. Segment Information

For purposes of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn are segregated based on the type of services supplied. This forms the basis of identifying the segments of the Group under SFRS(I) 8.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, and if applicable, the nature of the regulatory environment.

For management purposes, the Group is currently organised into three operating segments:

- Engineering, Procurement and Construction ("EPC") - provision of engineering, procurement and construction services relating to water and waste management and air pollution control.

- Operations and Maintenance ("O&M") - provision of operations and maintenance services relating to water and waste management.

- Emerging Business Segments ("EBS") - this segment encompasses a range of growth-focused businesses, including (i) Chemical Manufacturing – the production and supply of magnesium hydroxide slurry for environmental applications such as wastewater treatment, flue gas desulphurisation, and other industrial processes; (ii) Industrial & Gasification – the provision of integrated environmental engineering solutions for industrial facilities, covering water and wastewater treatment, air pollution control, and solid waste management; as well as (iii) Renewable Energy Solutions – the development, ownership, and operation of solar power assets, including the delivery of EPC services for solar energy systems.

## 30. Segment Information (Cont'd)

**Segment revenue and results**

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Revenue – EPC & Others | 111,162 | 104,867 |
| Revenue - O&M | 44,251 | 22,433 |
| Revenue - EBS | 2,159 | 3,251 |
| Total revenue | 157,572 | 130,551 |
| Gross profit – EPC & Others | 6,060 | 14,297 |
| Gross profit - O&M | 9,063 | 2,132 |
| Gross profit - EBS | (422) | (190) |
| Total gross profit | 14,701 | 16,239 |
| Unallocated administrative expenses | (7,697) | (8,842) |
| Depreciation | (2,763) | (1,874) |
| Interest income | 127 | 156 |
| Finance costs | (2,315) | (1,668) |
| Profit before tax | 2,053 | 4,011 |
| Income tax expense | (339) | (1,057) |
| Profit for the year | 1,714 | 2,954 |

Revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's material accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs, depreciation, interest income, finance costs and income tax expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

**Geographical information**

The Group's activities are located primarily in Singapore and Myanmar. The geographical locations of the Group's customers and non-current assets are primarily in Singapore and Myanmar.

| Group | Revenue from external customers | | Non-current assets | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| Singapore | 155,035 | 127,631 | 19,682 | 21,596 |
| Myanmar | 2,470 | 2,914 | 99 | 115 |
| Malaysia | 37 | 6 | 52 | 51 |
| Thailand | 30 | – | 1,241 | – |
| | 157,572 | 130,551 | 21,074 | 21,762 |

## 30. Segment Information (Cont'd)

**Information about major customers**

Revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Customer A (EPC and O&M) | 88,718 | 62,341 |
| Customer B (EPC) | 30,202 | 35,458 |

For the purposes of monitoring segment performance and allocating resources between segments, the Group's chief operating decision makers do not monitor the tangible, intangible and financial assets attributable to each segment.

## 31. Interests in a Joint Operation

In July 2020, the Group entered into a joint operation in Singapore for an engineering, procurement and construction project, Sanli-HAE JV, to which it is entitled to 51% proportionate share of the assets, liabilities and profits or losses.

Summarised financial information in respect of the joint operation is set out below. The summarised financial information below represents amounts included in the financial statements of the joint operation, not the Group's share of these amounts, and are prepared in accordance with SFRS(I).

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Current assets | 7,429 | 6,779 |
| Current liabilities | (6,251) | (4,663) |

The above amounts of assets and liabilities include the following:

| | | |
|---|---|---|
| Cash and cash equivalents | 250 | 228 |

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Revenue | 10,497 | 10,181 |
| (Loss) Profit for the year | (891) | 1,237 |

## 32. Events After the Reporting Period

On April 15, 2025, the Group completed the sale of its property allocated at 28 Kian Teck Drive, Singapore 628845 for a total consideration of $5.3 million. The disposal resulted in a gain of $2.3 million which will be recognised in the profit or loss for the financial year ending March 31, 2026.

# Statistics of **Shareholdings**

As at 24 June 2025

| | |
|---|---|
| No. of issued shares (excluding treasury shares): | 265,667,113 |
| No. of treasury shares: | 2,990,700 |
| Percentage of treasury shares against total number of issued shares (excluding treasury shares): | 1.126% |
| Class of shares: | Ordinary Shares |
| Voting rights: | One vote per ordinary share |
| No. of subsidiary holdings: | Nil |

## Distribution of Shareholdings

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 - 99 | 0 | 0.00 | 0 | 0.00 |
| 100 - 1,000 | 64 | 9.25 | 49,200 | 0.02 |
| 1,001 - 10,000 | 247 | 35.69 | 1,314,600 | 0.49 |
| 10,001 - 1,000,000 | 363 | 52.46 | 34,552,678 | 13.01 |
| 1,000,001 AND ABOVE | 18 | 2.60 | 229,750,635 | 86.48 |
| **TOTAL** | 692 | 100.00 | 265,667,113 | 100.00 |

| NO. | NAME | No. of Shares | % |
|---|---|---|---|
| 1 | TYPHA HOLDINGS PTE LTD | 110,288,509 | 41.51 |
| 2 | PEK KIAN BOON | 22,219,212 | 8.36 |
| 3 | KEW BOON KEE | 21,882,675 | 8.24 |
| 4 | SIM HOCK HENG | 21,882,675 | 8.24 |
| 5 | LEE TIEN CHIAT | 13,282,675 | 5.00 |
| 6 | JEREMY LEE SHENG POH | 8,846,900 | 3.33 |
| 7 | GEMINI ASSET HOLDINGS LIMITED | 8,413,920 | 3.17 |
| 8 | PHILLIP SECURITIES PTE LTD | 5,860,889 | 2.21 |
| 9 | KOH YEW CHOO | 3,123,700 | 1.18 |
| 10 | OCBC SECURITIES PRIVATE LIMITED | 2,841,800 | 1.07 |
| 11 | DBS NOMINEES (PRIVATE) LIMITED | 2,211,700 | 0.83 |
| 12 | CITIBANK NOMINEES SINGAPORE PTE LTD | 1,826,240 | 0.69 |
| 13 | IFAST FINANCIAL PTE. LTD. | 1,308,800 | 0.49 |
| 14 | CHUA BOON TECK | 1,258,000 | 0.47 |
| 15 | GOH TONG LIM | 1,243,400 | 0.47 |
| 16 | MAYBANK SECURITIES PTE. LTD. | 1,101,640 | 0.41 |
| 17 | YIT CHEE WAH | 1,093,300 | 0.41 |
| 18 | TAY GHIM HOON ELLEN (ZHENG JINFEN ELLEN) | 1,064,600 | 0.40 |
| 19 | CHIN TING CHING | 1,000,000 | 0.38 |
| 20 | NG KING KIONG | 921,600 | 0.35 |
| | **TOTAL** | 231,672,235 | 87.21 |

# Statistics of **Shareholdings**

As at 24 June 2025

## Substantial Shareholders

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| | Number of Shares | %[1] | Number of Shares | %[1] |
| **Directors** | | | | |
| Mr Ng Lip Chi, Lawrence | – | – | – | – |
| Mr Kew Boon Kee[2] | 21,882,675 | 8.24% | 110,288,509 | 41.51% |
| Mr Sim Hock Heng[2] | 21,882,675 | 8.24% | 110,288,509 | 41.51% |
| Mr Lee Tien Chiat[2] | 13,282,675 | 5.00% | 110,288,509 | 41.51% |
| Mr Chan Hock Leong | 100,000 | 0.04% | – | – |
| Mr Latiff Bin Ibrahim | – | – | – | – |
| **Substantial Shareholders (other than Directors)** | | | | |
| Typha Holdings Pte. Ltd.[2] | 110,288,509 | 41.51% | – | – |
| Pek Kian Boon | 22,219,212 | 8.36% | – | – |

**Notes:**

(1) The percentage shareholding interest is computed based on 265,667,113 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) The shareholders of Typha Holdings Pte. Ltd. are Mr Sim Hock Heng, Mr Kew Boon Kee and Mr Lee Tien Chiat, each holding 33.3% of the share capital of Typha Holdings Pte. Ltd.. Accordingly, Mr Sim Hock Heng, Mr Kew Boon Kee and Mr Lee Tien Chiat are deemed to have an interest in the shares held by Typha Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act.

## Shareholdings Held in the Hands of Public

Based on the information available to the Company as at 24 June 2025, approximately 26.83% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Catalist Rules is complied with.

# Notice of
# Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting ("**AGM**") of SANLI ENVIRONMENTAL LIMITED (the "**Company**") will be held at 22 Chin Bee Drive, Singapore 619870 on **Thursday, 31 July 2025** at **10.00 a.m.** (Singapore Time), to transact the following business:

## As Ordinary Business:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2025 together with the Independent Auditor's Report thereon. **Resolution 1**

2. To approve a tax exempt (1-tier) final dividend of 0.173 Singapore cent per share for the financial year ended 31 March 2025. **Resolution 2**

3. To approve Directors' fees of S$138,000 for the financial year ended 31 March 2025. **Resolution 3**

4. To re-elect Mr Sim Hock Heng, a Director retiring pursuant to Regulation 108 of the Company's Constitution. [See Explanatory Note (a)] **Resolution 4**

5. To re-elect Mr Chan Hock Leong, a Director retiring pursuant to Regulation 108 of the Company's Constitution. [See Explanatory Note (b)] **Resolution 5**

6. To re-appoint Messrs Deloitte & Touche LLP, as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

7. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

## As Special Business:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:-

8. <u>Authority to allot and issue shares and convertible securities</u> **Resolution 7**

   "That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation or issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares; and/or

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues;

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided always that:

(i) the aggregate number of Shares to be allotted and issued (including Shares to be issued pursuant to the Instruments made or granted) pursuant to this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holding) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be allotted and issued (including Shares to be issued pursuant to the Instruments made or granted) other than on a pro-rata basis to the Shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holding) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the percentage number of Shares that may be issued (including Shares to be issued pursuant to the Instruments made or granted) under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holding) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holding) in the Company at the time of the passing of this Resolution, after adjusting for:

(aa) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(bb) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(cc) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (aa) and (bb) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and all applicable legal requirements under the Act and the Constitution of the Company for the time being; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

9. Proposed Renewal of The Share Buy-Back Mandate **Resolution 8**

"That:

(a) for the purposes of the Companies Act , the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (defined below), whether by way of:

(i) on-market purchases ("**On-Market Share Purchase(s)**") transacted on the SGX-ST or, as the case may be, any other stock exchange on which Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Share Purchase(s)**") transacted otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act);

and otherwise in accordance with all other laws and regulations, including but not limited to the rules of the SGX-ST, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buy-Back Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution relating to the Share Buy-Back Mandate and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or is required by law to be held;

(ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the shareholders of the Company in a general meeting; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate have been carried out to the full extent mandated,

(c) in this Resolution relating to the Share Buy-Back Mandate:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day of the On-Market Share Purchase by the Company or, as the case may be, the Offer Date (defined below) pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the On-Market Share Purchase is made or, as the case may be, the Offer Date;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Limit**" means that number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution relating to the Share Buy-Back Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings);

# Notice of Annual General Meeting

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding applicable brokerage, stamp duties, commission, goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

"**Offer Date**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

"**Relevant Period**" means the period commencing from the date on which this Resolution relating to the Share Buy-Back Mandate is passed and expiring on the earlier of the date of the next annual general meeting of the Company or the date by which such annual general meeting is required by law to be held;

(d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution relating to the Share Buy-Back Mandate."

By Order Of The Board

Goh Siew Geok (Ms)
Company Secretary
Date: 16 July 2025

# Notice of
# **Annual General Meeting**

***Explanatory Notes:***

*(a) In relation to Ordinary Resolution 4, Mr Sim Hock Heng, will be retiring from office at the AGM pursuant to Regulation 108 of the Constitution of the Company, and will be standing for re-election at the AGM. Please refer to the sections on "Board of Directors", "Corporate Governance Report" and "Additional Information On Directors Seeking Re-Election" of the Company's 2025 Annual Report for more information relating to Mr Sim. Mr Sim will, upon re-election, continue to serve as the Chief Executive Officer and Executive Director of the Company and a member of the Nominating Committee.*

*(b) In relation to Ordinary Resolution 5, Mr Chan Hock Leong, will be retiring from office at the AGM pursuant to Regulation 108 of the Constitution of the Company, and will be standing for re-election at the AGM. Please refer to the sections on "Board of Directors", "Corporate Governance Report" and "Additional Information on Directors Seeking Re-Election" of the Company's 2025 Annual Report for more information relating to Mr Chan. Mr Chan will, upon re-election, continue to serve as the Chairman of the Audit Committee, a member of the Nominating Committee and a member of the Remuneration Committee. Mr Chan is considered independent for purposes of Rule 704(7) of the Catalist Rules.*

**Statement Pursuant to Regulation 74 of the Company's Constitution**

**The effect of the resolutions under the heading "Special Business" in this Notice of the AGM are:**

(1) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holding), of which up to 50% may be issued other than on a pro-rata basis to Shareholders.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holding) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(2) The Ordinary Resolution 8 above, if passed, will empower the Directors, during the period commencing from the passing of this Ordinary Resolution and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the mandate is revoked or varied by Shareholders in general meeting or the date on which the purchase of Shares has been carried out to the full extent mandated, to purchase or otherwise acquire, by way of On-Market Share Purchases or Off-Market Share Purchases, up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution, on the terms of the Share Buy-Back Mandate as set out in the Appendix to the Annual Report. The Company may use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share-Buy Mandate in a manner and to such extent that it would have a material adverse effect on the financial position, liquidity and/or the capital adequacy of the Group.

**NOTES:**

**1. FORMAT OF MEETING**

The AGM will be held, in a wholly physical format, at the venue, date and time stated above. Shareholders, including SRS investors, and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM, proxy form and request form will be sent by post to members. These documents will also be published on the Company's website at https://www.sanli.com.sg and on the SGX website at https://www.sgx.com/securities/company-announcements.

**2. APPOINTMENT OF PROXY(IES)**

(a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

**Submission of Proxy Forms to Vote**

A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

The Proxy Form, duly completed and signed, must be submitted to the Company in the following manner:

(a) If submitted personally or by post, must be deposited at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,

and in each case, must be submitted or received (as the case may be) **not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. no later than 10.00 a.m. on 28 July 2025)**.

SRS investors:

(a) may vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective SRS Operators to submit their votes by 10.00 a.m. on 22 July 2025.

**3. SUBMISSION OF QUESTIONS PRIOR TO THE AGM**

Shareholders, including SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:

(a) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com.

When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's email address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, SRS and/or physical scrip), for verification purposes.

All questions submitted in advance must be received by 5.00 p.m. on 23 July 2025.

The Company will address all substantial and relevant questions received from shareholders by the 23 July 2025 deadline by publishing its responses to such questions on the Company's corporate website at https://www.sanli.com.sg and on the SGX website at https://www.sgx.com/securities/company-announcements and at least 48 hours prior to the closing date and time for the lodgement of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 23 July 2025 deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Shareholders, including SRS investors, and (where applicable) duly appointed proxies or representatives can also ask the substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

# Notice of
# Annual General Meeting

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/ or any adjournment thereof, or by attending the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

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This notice has been reviewed by the Company's sponsor ("**Sponsor**"), SAC Capital Private Limited. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice. 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.

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**SANLI ENVIRONMENTAL LIMITED**
Company Registration No. 201705316M
(Incorporated in the Republic of Singapore)

# PROXY FORM

*(Please see notes overleaf before completing this Form)*

**IMPORTANT:**
1. The Annual General Meeting will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for shareholders to participate virtually.
2. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
3. For investors who have used their SRS monies to buy shares in the capital of Sanli Environmental Limited, this proxy form is not valid for use and shall be ineffective for all intent and purposes if used or purported to be used by them. SRS investors who wish to appoint the Chairman of the Meeting as their proxy should contact their respective SRS Operators to submit their votes by 10.00 a.m. on 22 July 2025.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 16 July 2025.

I/We, ______________________________ (Name)
*NRIC/Passport No./Company Registration No. ______________________________
of ______________________________ (Address)
being a *member/members of Sanli Environmental Limited (the "Company"), hereby appoint:

| Name | NRIC/Passport No. | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of Shares | % |
| Address | | | |

*and/or

| Name | NRIC/Passport No. | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of Shares | % |
| Address | | | |

or, failing *him/her, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held at 22 Chin Bee Drive, Singapore 619870 on Thursday, 31 July 2025 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given or in the event of any other matters arising at the AGM and at any adjournment thereof, the *proxy/proxies (except where the Chairman of the AGM is appointed as *my/our proxy) will vote or abstain from voting at *his/her/their discretion, in respect of a resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

*(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick [√] or cross [x] within the box provided. Alternatively, please indicate the number of shares in the boxes provided.)*

| No. | Ordinary Resolutions | For | Against | Abstain |
|---|---|---|---|---|
| 1 | To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2025 together with the Independent Auditor's Report thereon. **(Resolution 1)** | | | |
| 2 | To approve a tax exempt (1-tier) final dividend of 0.173 Singapore cents per share for the financial year ended 31 March 2025. **(Resolution 2)** | | | |
| 3 | To approve Directors' fees of S$138,000 for the financial year ended 31 March 2025. **(Resolution 3)** | | | |
| 4 | To re-elect Mr Sim Hock Heng, a Director retiring pursuant to Regulation 108 of the Company's Constitution. **(Resolution 4)** | | | |
| 5 | To re-elect Mr Chan Hock Leong, a Director retiring pursuant to Regulation 108 of the Company's Constitution. **(Resolution 5)** | | | |
| 6 | To re-appoint Messrs Deloitte & Touche LLP, as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)** | | | |
| 7 | To authorise Directors to allot and issue shares and convertible securities. **(Resolution 7)** | | | |
| 8 | To approve the renewal of the Share Buy-back Mandate. **(Resolution 8)** | | | |

Dated this __________ day of____________, 2025

| Total Number of Shares held in: | No. of Shares |
|---|---|
| (a) CDP Register | |
| (b) Register of Members | |

______________________________
Signature(s) of Shareholder(s)/Common Seal of Corporate Shareholder

***Delete where appropriate**

**IMPORTANT: PLEASE READ NOTES FOR THIS PROXY FORM.**

**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. (a) member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.

4. A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below:

   (i) if submitted personally or by post, must be deposited at the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (ii) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com;

   and in each case, must be submitted or received (as the case may be) **not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. no later than 10.00 a.m. on 28 July 2025)**.

5. The instrument appointing a proxy(ies) must be under the hand of the appointer or of his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6. Where an instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or the power of attorney (or other authority) or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited (CDP) to the Company.

**PERSONAL DATA PRIVACY**

By attending the AGM and/or any adjournment thereof or submitting on instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

# Corporate Information

## BOARD OF DIRECTORS

**NG LIP CHI, LAWRENCE**
(Non-Executive Chairman and Independent Director)

**KEW BOON KEE**
(Deputy Chairman and Executive Director)

**SIM HOCK HENG**
(Chief Executive Officer and Executive Director)

**LEE TIEN CHIAT**
(Executive Director)

**CHAN HOCK LEONG**
(Independent Director)

**LATIFF BIN IBRAHIM**
(Independent Director)

## AUDIT COMMITTEE

**CHAN HOCK LEONG**
(Chairman)
**NG LIP CHI, LAWRENCE**
**LATIFF BIN IBRAHIM**

## NOMINATING COMMITTEE

**LATIFF BIN IBRAHIM**
(Chairman)
**NG LIP CHI, LAWRENCE**
**CHAN HOCK LEONG**
**SIM HOCK HENG**

## REMUNERATION COMMITTEE

**NG LIP CHI, LAWRENCE**
(Chairman)
**CHAN HOCK LEONG**
**LATIFF BIN IBRAHIM**

## COMPANY SECRETARY

**GOH SIEW GEOK ACS, ACIS**

## SHARE REGISTRAR

**BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.**
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

## REGISTERED OFFICE

22 Chin Bee Drive Singapore 619870
Tel: +65 6252 0780
Fax: +65 6250 5640
Website: www.sanli.com.sg

## AUDITOR

**DELOITTE & TOUCHE LLP**
6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809
Partner-In-Charge:
Hoe Chi-Hsien
(Appointed since financial year ended 31 March 2024)

## PRINCIPAL BANKERS

**STANDARD CHARTERED BANK (SINGAPORE) LIMITED**
8 Marina Boulevard Level 29
Marina Bay Financial Centre (Tower 1)
Singapore 018981

**MAYBANK SINGAPORE LIMITED**
200 Jalan Sultan #01-02
Textile Centre
Singapore 199018

**UNITED OVERSEAS BANK LIMITED**
80 Raffles Place
UOB Plaza
Singapore 048624

**OVERSEA-CHINESE BANKING CORPORATION LIMITED**
65 Chulia Street
OCBC Centre
Singapore 049513

## SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-01 AIA Tower
Singapore 048542

**Sanli Environmental Limited**

(INCORPORATED IN THE REPUBLIC OF SINGAPORE ON 27 FEBRUARY 2017)
(COMPANY REGISTRATION NO. 201705316M)

22 Chin Bee Drive Singapore 619870
Tel: (65) 6252 0780 | www.sanli.com.sg