

SANLI ENVIRONMENTAL LIMITED

*(the "Company")
(Company Reg. No: 201705316M)
(Incorporated in the Republic of Singapore)*

MINUTES OF THE ANNUAL GENERAL MEETING

PLACE : 22 Chin Bee Drive, Singapore 619870
DATE : Thursday, 31 July 2025
TIME : 10.00 a.m.
Shareholders - As per attendance list
Proxies - As per attendance list
In-Attendance - As per attendance list

CHAIRMAN

Mr Ng Lip Chi, Lawrence presided as Chairman of the Annual General Meeting ("Meeting").

QUORUM

As a quorum was present, the Chairman declared the Meeting open at 10.00 a.m. and introduced the members of the Board who were present, to the shareholders.

NOTICE OF MEETING

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

POLL VOTING

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

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

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

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

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

ORDINARY BUSINESS:

All questions from Shareholders and responses from the Directors and Management are set out in Appendix “A” annexed to these Minutes.

RESOLUTION 1 – DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2025 TOGETHER WITH THE INDEPENDENT AUDITORS’ REPORT THEREON

The following motion was duly proposed by Wu Wen Xin (Shareholder) and seconded by Wong Yik Phui (Shareholder):

“That the Audited Financial Statements for the financial year ended 31 March 2025, the Directors’ Statement and the Auditors’ Report contained therein be and are hereby received and adopted.”

The Chairman invited questions from the Meeting.

After answering the questions from the Shareholders, the motion was put to vote by poll via electronic manner. 169,824,334 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 1 carried.

RESOLUTION 2 – FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND

The following motion was duly proposed by Lai Siao Shan (Shareholder) and seconded by Chua Chwee Tian, Andrew (Shareholder):

“That the declaration of a final tax-exempt (one-tier) dividend of 0.173 Singapore cents per ordinary share in the capital of the Company for the financial year ended 31 March 2025 be and is hereby approved.”

The Chairman invited questions from the Meeting.

After answering the question from the Shareholder, the motion was put to vote by poll via electronic manner. 169,774,334 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 2 carried.

RESOLUTION 3 – DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

The following motion was duly proposed by Li Shiyong (Shareholder) and seconded by Sai Wi (Shareholder):

“That the Directors’ fees of S\$138,000 for the financial year ended 31 March 2025 be and are hereby approved.”

The Chairman invited questions from the Meeting.

There was no question raised, and the motion was put to vote by poll via electronic manner. 169,773,334 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 3 carried.

RESOLUTION 4 - RE-ELECTION OF MR SIM HOCK HENG

Resolution 4 dealt with the re-election of Mr Sim Hock Heng. The Chairman informed the Meeting that in accordance with Regulation 108 of the Company’s Constitution, Mr Sim Hock Heng was due to retire as Director at the Meeting and being eligible for re-election, had offered himself for re-election.

The following motion was duly proposed by Vasu Babu (Shareholder) and seconded by Wu Wen Xin (Shareholder):

“That Mr Sim Hock Heng be and is hereby re-elected as a Director of the Company.”

The Chairman invited questions from the Meeting.

There was no question raised, and the motion was put to vote by poll via electronic manner. 147,991,659 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 4 carried.

RESOLUTION 5 - RE-ELECTION OF MR CHAN HOCK LEONG

Resolution 5 dealt with the re-election of Mr Chan Hock Leong. The Chairman informed the Meeting that in accordance with Regulation 108 of the Company’s Constitution, Mr Chan Hock Leong was due to retire as a Director at the Meeting and being eligible for re-election, had offered himself for re-election.

The following motion was duly proposed by Wong Yoke Peng (Shareholder) and seconded by Li Shiyong (Shareholder):

“That Mr Chan Hock Leong be and is hereby re-elected as a Director of the Company.”

The Chairman invited questions from the Meeting.

There was no question raised, and the motion was put to vote by poll via electronic manner. 169,064,334 ordinary shares representing 99.64% voted ‘For’ the Resolution. The Chairman declared Resolution 5 carried.

RESOLUTION 6 – REAPPOINTMENT OF AUDITORS

The Chairman informed the Meeting that Deloitte & Touche LLP has confirmed their willingness to accept re-appointment as Auditors of the Company.

Wong Yik Phui (Shareholder) proposed and Lai Siao Shan (Shareholder) seconded the following motion:

“That Deloitte & Touche LLP, who has consented to their re-appointment as Auditors of the Company, be and are hereby re-appointed, and the Directors be and are hereby authorised to fix their remuneration.”

The Chairman invited questions from the Meeting.

After answering the questions from the Shareholder, the motion was put to vote by poll via electronic manner. 169,243,334 ordinary shares representing 99.63% voted ‘For’ the Resolution. The Chairman declared Resolution 6 carried.

SPECIAL BUSINESS:

RESOLUTION 7 - AUTHORITY TO ALLOT AND ISSUE SHARES & CONVERTIBLE SECURITIES

The following motion was duly proposed by Sai Wi (Shareholder) and seconded by Vasu Babu (Shareholder):

“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.”

The Chairman invited questions from the Meeting.

After answering the questions from the Shareholder, the motion was put to vote by poll via electronic manner. 168,144,134 ordinary shares representing 99.04% voted 'For' the Resolution. The Chairman declared Resolution 7 carried.

RESOLUTION 8 - PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The following motion was duly proposed by Chua Chwee Tian, Andrew (Shareholder) and seconded by Wong Yoke Peng (Shareholder):

"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);

“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.”

The Chairman invited questions from the Meeting.

There was no question raised, the motion was put to vote by poll via electronic manner. 169,769,334 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 8 carried.

CLOSE OF MEETING

There being no further business to transact, the Chairman declared the Annual General Meeting of the Company closed at 11.26 a.m. and thanked everyone present for their attendance.

Signed as a true record of the proceedings

Mr Ng Lip Chi, Lawrence
Chairman

31 July 2025

SANLI ENVIRONMENTAL LIMITED

(the “Company” or “Sanli”)
 (Company Reg. No: 201705316M)
 (Incorporated in the Republic of Singapore)

Questions & Answers – Annual General Meeting (“AGM”) held on 31 July 2025

Significant and Relevant Questions / Comments from Shareholders / Proxies / Corporate Representatives	Company’s Reply
ORDINARY RESOLUTION 1 – DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS	
<p>(a) A shareholder raised concerns regarding the Company’s recent contract with PUB valued at S\$105 million secured after the financial year ended 31 March 2025 (“FY2025”). He noted that for FY2025, the profit margin from Engineering, Procurement and Construction (“EPC”) segment was only about 5%, which appeared low and enquired about management’s strategy, especially as reports indicated the next highest bid for the recent PUB contract was S\$143 million, suggesting that other bidders had submitted much higher figures.</p> <p>The shareholder expressed that while the Company was performing well operationally, the relatively low margin limited its returns to shareholders, and further asked whether PUB was the Company’s main customer and if this contract was aligned with a broader market share strategy.</p>	<p>Mr. Sim Hock Heng (“SHH”), the Chief Executive Officer and Executive Director of the Company, responded by explaining that Sanli has been bidding for government contracts for the past two decades and has built a proven track record with PUB as a key customer. The Company’s experience and long-standing relationship with PUB provided a strong foundation to securing contracts, especially as foreign contractors face barriers to entry such as licensing restrictions and often need to acquire local players to participate. SHH emphasised that Sanli’s bid was thoroughly assessed, with costs duly accounted for, ensuring that the bid is complete and accurate. The low margin was attributed to external factors, which had caused shipment delays and significant cost increases, thereby impacting gross profit.</p> <p>On the matter of customer concentration, SHH agreed that PUB has been Sanli’s sole customer for the past 18 years, during which the Company has built a stable and fundamental relationship. Having considered this, diversification efforts have already begun, with the Company embarking last year on a strategy to expand into serving other customers beyond PUB.</p>
<p>(b) A shareholder noted that while the Company’s share price had risen from below 10 cents earlier in the year, he expressed concern over the decline in the Group’s profit. The shareholder asked whether the weaker results were due to backlog legacy projects pre-dating/during COVID-19 and sought clarification on whether future financial years would reflect a fresh start. Shareholder also inquired if the EPC segment would continue to face challenges for several years such as cash flow issues, and how these were being mitigated.</p>	<p>SHH responded that the weaker profits were partly due to backlog legacy projects, but noted that the Tuas project, which was impacted by raw material cost increases and higher financing expenses, would continue until 2027. SHH emphasised that the team was working hard to improve the situation. On cash flow, he confirmed that challenges remained but explained that management was mitigating this through means such as private placements and by leveraging new contract wins to engage banks for financing, while also exploring other options to increase shareholders’ value. Regarding the O&M segment, SHH stated that the segment remained stable and could continue to grow if managed prudently, but cautioned that it is highly labour-intensive and subject to Ministry of Manpower policies, which could introduce indirect risks. In the absence of unforeseen circumstances, O&M performance is expected to remain positive.</p>

Significant and Relevant Questions / Comments from Shareholders / Proxies / Corporate Representatives	Company's Reply
(c) A shareholder further inquired about the Company's Mag Chemical Pte. Ltd. (" Mag-Chem ") business segment, noting that it had been relatively quiet. Specifically, the shareholder asked for an update on the progress, what differentiated the Mag-Chem's product given its common availability in the market, and the current utilisation rate of its chemical production plant.	<p>Mr Lee Tien Chiat ("LTC"), an Executive Director of the Company, responded that this year marked a breakthrough for the business segment, with the first order secured from a major shipping company, which is expected to become a long-term client. The Company is also engaging with other chemical suppliers and distributors, including technology partners, to broaden the applications of its chemical products, such as in water treatment. For example, an agreement was signed with a Malaysian partner to pilot test the application of the Company's chemical using new technology, which may open up additional avenues.</p> <p>On differentiation, LTC explained that competitive pricing was a key factor, as logistics costs form a significant portion of chemical pricing. Having a local production facility in Singapore allows the Company to substantially reduce logistics costs when supplying to local/international customers. Additionally, the Company is focusing on the marine industry, given Singapore's role as a global port hub, where there is strong demand for this type of chemical supply. Over the past two years, the Company has invested in setting up the business and obtaining all required certifications and approvals from marine clients, culminating in this year's breakthrough order.</p> <p>Regarding utilisation, LTC explained that production is demand-driven and tied to customer orders, given the shelf life of the chemical. Current utilisation is below 50% of the designed plant capacity. Nonetheless, the plant was intentionally built with high capacity to ensure cost efficiency and to accommodate future growth in demand.</p>
(d) A shareholder raised a query directed at the Sponsor, being SAC Capital Private Limited (" SAC "), regarding the Company's share buy-backs and subsequent share placement. The shareholder observed that despite financing costs, the Company had been conducting share buy-backs at below 10 Singapore cents. Subsequently, a placement of S\$4 million was made to, among others, two institutional investors. The shareholder was surprised that institutional investors would be interested given the Company's past performance was not particularly strong, and noted that SAC's research report focused	<p>SHH responded that share price movements are determined by the market and not the management. Noting that the Company's shares were traded below net asset value at that time, the management viewed it timely to undertake the share buy-back, mainly to support the Company's employee share scheme, which aims to reward and incentivise staff of the Company. At the same time, investor relations efforts have intensified, with management actively engaging investors and sharing the Company's roadmap. This openness and commitment, SHH noted, may have attracted investors' interest. He emphasised that the placement was strategic and not primarily about the share price and that the strong level of investors' interest was unexpected by the management. SHH reiterated that the Company is focused on long-term growth, in compliance with SGX regulations, and delivering value to shareholders, rather than short-term market speculation.</p>

Significant and Relevant Questions / Comments from Shareholders / Proxies / Corporate Representatives	Company's Reply
<p>more on the Company's potential rather than its results. The shareholder further remarked that the placement was small in size, questioned whether these actions might invite scrutiny from the authorities, and stressed that the Company's share price had historically been below 10 Singapore cents until the recent rise.</p>	<p>The shareholder expressed support for the Company's approach of pursuing growth based on fundamentals rather than external market forces.</p> <p>SAC explained that each event—share buybacks, the placement, research reports, and investor engagement—was distinct and coincidental in timing. The share buy-backs were genuinely intended to support the employee share scheme, while increased investor relations activity had led to more engagement with the investment community, ultimately resulting in investors approaching the Company. SAC further clarified that their research team had been following the Company for over a year, and their reports and interviews with management were part of ongoing research coverage, and not timed to influence market movements. SAC added further that in fact, SAC research team has been following the Company since its IPO.</p> <p>The investor relation firm's representative added that Sanli has been featured in platforms such as <i>The Edge</i> and SGX news outlets, and management has been presenting its full-year results and roadmap to analysts. These efforts increased visibility and improved market positioning, which in turn built confidence among investors.</p> <p>The shareholder reiterated concern that the timing of these events might give the appearance of an attempt to excite the market, but maintained his hope that the Company's growth would continue to be driven by fundamentals.</p> <p>The Chairman reassured shareholders that all actions were in compliance with regulations and that the Board had carefully considered the implications of each step. Share buy-backs naturally attracted market attention, and investor relations had helped investors better understand the Company's fundamentals, which may have sparked investor interest. He emphasised that ultimately the market dictates the share price.</p>
(e) A shareholder then asked if there was a conflict of interest in SAC acting both as the Company's sponsor and issuing research reports on Sanli.	<p>SAC responded that there is a China wall policy and procedures in place to mitigate any potential conflict of interests, with the sponsor, placement agent, and research roles all undertaken by separate teams and these were reported to SGX.</p>
(f) A shareholder asked about the Board's vision for the Company's business expansion in Thailand/overseas.	<p>SHH explained that Sanli's core business has been with PUB in Singapore, where the Company has built close to two decades of experience in the water sector. With this foundation, the Company is ready to diversify and expand regionally. In the short term, the strategy is to leverage its water expertise to establish a presence in Malaysia and Thailand. Sanli believes that Singapore water companies enjoy strong credibility, and building recognition with local authorities abroad will allow the Company to gradually access larger-scale projects.</p> <p>In Thailand, the Company has begun with three solar-related projects — one in the industrial sector and two in the hotel sector. These initial projects serve as a platform to establish Sanli's presence, build local understanding, and assess ways to improve</p>

Significant and Relevant Questions / Comments from Shareholders / Proxies / Corporate Representatives	Company's Reply
	returns on investment. He also mentioned that this provides the opportunity for the Company to set up an office and team in Thailand, with the longer-term intention of penetrating the broader water and waste management sectors.
(g) A shareholder further asked when the Board expected the overseas ventures to begin contributing meaningfully to the Company's water business.	SHH replied that the Company anticipates a penetration period of about three years, with results expected within five years. He noted that, similar to the Mag-Chem business, there are challenges and established competitors in these overseas markets, but management views it as a matter of time, with a three-to-five-year horizon to generate tangible contributions.
(h) A shareholder referred Annual Report (Note 14) disclosing borrowings of S\$52 million. The shareholder queried whether the Company's interest expenses had declined significantly in the past year. The shareholder then asked whether PUB had been paying contractors more quickly compared to previous years.	Mr Tan Thean Seang, Fredrik, the Chief Financial Officer ('CFO') of the Company, clarified that of the S\$52 million in borrowings, approximately S\$43 million is related to project financing and S\$8 million relating to property. While the borrowings figure may appear substantial, the Company's recurring revenue collections enabled it to service these loans. He added that interest costs were manageable, noting that with SORA trending downwards, the Company was not heavily exposed to higher market rates. In addition to the recent placement, which strengthened equity, Sanli continues to work with its banking partners, including financing arrangements with UOB for specific projects. SHH responded that PUB, as a government agency, has strict procedures in place for invoice certification and payment, and does not delay or default payments. In certain cases, PUB has even expedited payments — sometimes in less than 10 days — recognising that contractors face cash flow pressures on the ground. However, due to past cases of fraud in the industry, PUB applies stringent scrutiny to ensure contractors are not overpaid, which can at times slow the certification process. As contractors, the Company must manage these challenges while ensuring compliance with audit and oversight requirements.
(i) A shareholder raised concerns that while the Company holds multiple properties, its balance sheet appears weak. He noted the recent placement exercise and questioned whether dividends would be sustainable over time, particularly as funds would be required for expansion into Thailand. He further asked why the Company chose to borrow in Singapore dollars instead of Thai baht, how management intended to balance its balance sheet while still pursuing growth and how the Company manages currency fluctuation.	CFO explained that four years ago, the Company generated revenue of about S\$60 million, supported by an equity base of S\$30 million. Today, revenue has grown to over S\$150 million, but equity remains at around S\$30 million. To support future growth, the Company must strengthen its equity base, which is why Management undertook the placement exercise. He added that the Company's net asset value stood at over 12 Singapore cents per share, and Management had ensured the placement was not underpriced. On Thailand financing, CFO explained that Singapore interest rates are significantly cheaper than the rates in Thailand. Internal funds are currently being used for the Thailand projects, as financing costs in Thailand would have been prohibitively high. Discussions with CIMB Thai, UOB Thai, and SCB Thai indicated that loan rates were above 7%. When asked about managing currency fluctuations, CFO responded that the Company has not yet implemented active hedging, as investments in Thailand are still at an early stage and the SGD–THB exchange rate has been relatively stable.

Significant and Relevant Questions / Comments from Shareholders / Proxies / Corporate Representatives		Company's Reply
(j)	A shareholder referred to page 13 of the Annual Report, which highlighted four new projects secured by the Company — two in Tuas, one in Malaysia, and one in Pulau Tekong. The shareholder requested further details on these projects and also asked about the Company's confidence in receiving payment for the Malaysia project.	SHH responded that the two Tuas projects were PUB contracts. One was awarded directly by PUB, while the other was a sub-contract from CES_SDC Pte Ltd for the biosolids facilities. The Malaysia project, he explained, was also linked to Singapore, as it involved a water treatment plant in Kota Tinggi. This facility treats raw water purchased from Malaysia before supplying it to Singapore, which PUB is the sole customer. Sanli is the main contractor for this project, contracted directly by PUB, and management has full confidence in receiving payment for the Malaysia project. Regarding the Pulau Tekong project, SHH shared that HDB is the developer whereas BPJV is the main contractor. Sanli has been appointed as the mega contractor for the entire scheme.
(k)	A shareholder noted that the Company's gross margin had fallen below 10% when comparing FY2024 to FY2025 and asked whether the four awarded projects would support better margins going forward as well as whether margins were expected to improve in FY2026.	SHH explained that the decline was due to legacy projects awarded during the COVID-19 period. For the larger contracts, significant material purchases took place in FY2025, and costs were much higher compared to the original bid assumptions, resulting in pressure on gross margins. He replied that margins should stabilise as the bulk of the material cost fluctuations had already been incurred. With most projects expected to be completed by the end of the new financial year, costs over the next two years would be mainly labour-related. Management is working hard to prevent further slippage, and gross margins are expected to be at least maintained.
ORDINARY RESOLUTION 2 – TAX EXEMPT (1-TIER) FINAL DIVIDEND OF 0.173 SINGAPORE CENTS PER SHARE		
(l)	A shareholder noted that dividends had fluctuated over the years and asked whether the Company intended to establish a more consistent dividend policy, particularly given the current positive sentiment toward the Company in the market.	<p>CFO responded that management seeks to balance rewarding shareholders with the need to fund growth for the Company. He confirmed that the Board is committed to maintaining a dividend payout ratio of at least 30%. When asked if this figure was a firm commitment, the CFO replied that, at this moment, it is a committed number.</p> <p>SHH added that dividend decisions must also be assessed in light of business conditions, noting that “cash is king” when it comes to funding growth opportunities. He explained that dividend policy is a constant balancing act between distributing profits and reinvesting in growth. While the ideal is to achieve both, the Company still prioritises growth at this stage.</p>
ORDINARY RESOLUTION 6 – RE-APPOINT MESSRS DELOITTE & TOUCHE LLP, AS AUDITORS OF THE COMPANY		
(m)	A shareholder noted that audit fees had increased by approximately S\$20,000 compared to the previous year and asked for the reason. He further asked how long Deloitte & Touche LLP (“ Deloitte ”) had been serving as the Company's auditor and whether there was a policy to rotate auditors every five years.	CFO explained that the increase was due to the incorporation of new entities in FY2025 and higher activity levels at Enviro Plant & Engineering Pte. Ltd.'s plant, which required additional audit work. CFO replied that Deloitte has been the Company's auditor since its IPO, and currently there is no policy to change audit firm every five years. Mr Chan Hock Leong, an Independent Director of the Company, added that while the audit firm remains the same, the audit partner is rotated every five years in line with regulatory requirements.

Significant and Relevant Questions / Comments from Shareholders / Proxies / Corporate Representatives		Company's Reply
ORDINARY RESOLUTION 7		
– AUTHORISE DIRECTORS TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES		
(n)	A shareholder suggested that if the Company intends to raise funds in the future, it should not limit the issuance to institutional investors through placements but also consider including existing shareholders.	The Chairman thanked the shareholder for the support and noted that the Board would consider rights issues as an option in future fundraising exercises.