SANLI ENVIRONMENTAL LIMITED
Company Registration No.: 201705316M

Media Release

Sanli Posts 21% Revenue Growth to S$157.6 million in FY2025; Continual Dividend Track Record with Proposed Final Dividend of 0.173 Singapore Cents per Share

- **Revenue growth in FY2025 that was driven primarily by robust performance in the Group's O&M business segment that almost doubled in FY2025**
- **Strengthened balance sheet with net asset value per share of 12.25 Singapore cents as at 31 March 2025**
- **Reflecting its commitment to rewarding shareholders, the Group announced a proposed final dividend of 0.173 Singapore cents per share, which would constitute 30.0% of net profit attributable to owners of the Company in FY2025**
- **Improved revenue visibility ahead with order book of S$228.6 million as at 31 March 2025**
- **The Group's strategic growth initiatives in Asia's environmental industry gaining traction with encouraging progress**

*Financial year ended 31 March ("**FY**")*

(S$ million)	FY2024	FY2025	Change (%)
Revenue	130.6	157.6	+21
Gross Profit	16.2	14.7	-10
Net Profit	3.0	1.7	-42
EBITDA	7.6	7.1	-6

SINGAPORE, 28 May 2025 – SGX-Catalist listed Sanli Environmental Limited ("**Sanli**", the "**Company**", "三立环境有限公司" and together with its subsidiaries, the "**Group**"), has announced its results for the full year ended 31 March 2025 ("**FY2025**").

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

As of FY2025, the Group is organised into the following three operating segments:

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

Key Highlights in FY2025

Commenting on the FY2025 financial results, Mr. Sim Hock Heng (“沈福兴”), Chief Executive Officer and Executive Director of Sanli, said: “Our revenue growth is a clear indicator of our team's consistent capabilities and technical expertise to execute large-scale projects in a defensive industry. While our results were temporarily weighed down by the tail-end impact of legacy projects and continued investments in growth initiatives, we are seeing strong underlying momentum and remain confident in the trajectory of our diversified organic growth ahead.”

On the proposed final dividend for FY2025, Mr. Sim added, “Our continued dividend track record is a testament to the strength of our underlying business and reflects our commitment to rewarding shareholders. We look forward to continue this legacy as we align our business model towards long-term, sustainable growth."

Revenue growth in FY2025 that was driven primarily by robust performance in the Group’s O&M business segment: The Group posted revenue of S$157.6 million in FY2025, of which its EPC business segment continued to be the main revenue contributor with S$110.8 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.

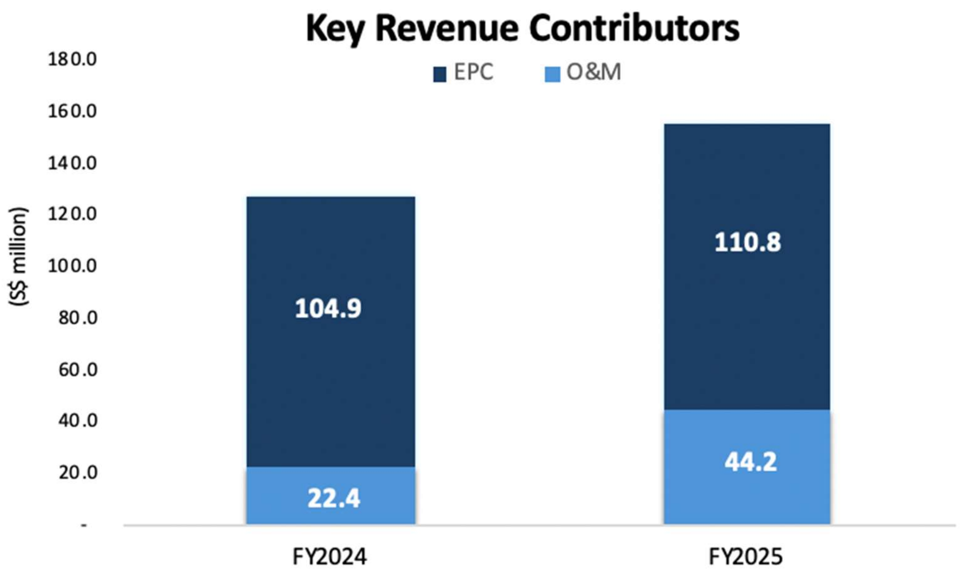
Looking ahead, several sizeable EPC projects in Singapore are expected to be tendered within the next 12 months, offering potential growth opportunities. This presents a significant opportunity for the Group to strengthen its order book as Singapore continues its critical infrastructure investments to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

With a key focus on expanding its recurring revenue base, the Group's O&M business segment experienced strong growth with revenue nearly doubling to S$44.2 million as compared to S$22.4 million in FY2024. Leveraging on its 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, public utilities.

Under its EBS, revenue dipped to S$2.5 million in FY2025 from S$3.2 million in FY2024 due to reduced business activities in IND following the completion of a major contract in the prior year. With an expanding track record, IND is actively pursuing tender opportunities across the region — particularly in Singapore, Malaysia, and Thailand — where demand for sustainable industrial solutions continues to grow.

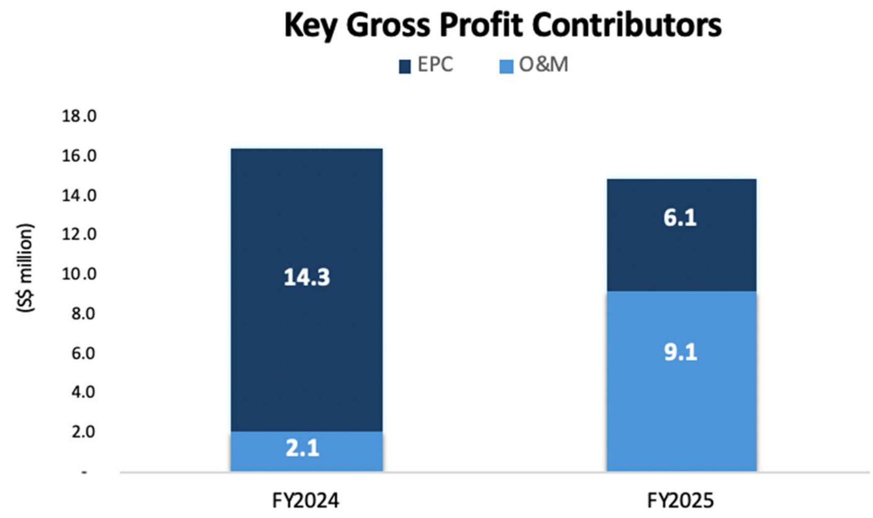
Notably, CHM has reached a key milestone in FY2025 by completing its first magnesium hydroxide slurry top-up for a major vessel, marking a significant milestone in its business development and manufacturing progress over the past two years. Building on this momentum, the Group is looking to deepen market penetration within the marine industry and to explore new applications for its magnesium hydroxide slurry to unlock new revenue streams in new markets.

Following the successful completion of installation of its solar power production system at a hospitality establishment, Mercure Koh Chang Hideaway in Thailand, which started electricity supply on 1 October 2024, revenue contribution from RES has commenced with exclusive Power Purchase Agreement (PPA) rights to sell the electricity output for a substantial 20-year period. RES is currently constructing two additional projects in Thailand and in addition, it is targeting more such projects in the pipeline to build and grow a stable, recurring revenue stream within the renewable energy sector.



Gross profit in FY2025 was weighed down by residual impacts from legacy COVID-era projects nearing completion: While the Group posted higher revenue growth in FY2025, its gross profit dipped 9.5% to S$14.7 million, from S$16.2 million in FY2024. The Group's O&M business segment achieved a substantially higher gross profit of S$9.1 million in FY2025 as compared to a gross profit of S$2.1 million in FY2024, however, its EPC business segment posted lower gross profit of S$6.1 million 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.

Overall, the Group's overall gross profit margin was lowered from 12.4% to 9.3% as EPC still accounted as the Group's largest revenue contributor.



Higher financing and depreciation costs in FY2025: While the Group's administrative costs remained relatively stable at S$9.4 million in FY2025, its financing costs increased to S$2.3 million in FY2025 from S$1.7 million in FY2024. The increment in financing costs was mainly due to higher interest expenses from the property loan for 22 Chin Bee Drive and additional short-term financing for major EPC and O&M projects.

The Group's other operating expenses increased to S$2.5 million in FY2025 from S$1.9 million in FY2024, which was largely attributed to higher depreciation of property, plant and equipment, primarily due to the addition of the newly acquired building at 22 Chin Bee Drive.

Delivered an EBITDA of S$7.1 million in FY2025, underpinned by a continual dividend track record: Overall, the Group posted a net profit of S$1.7 million and EBITDA of S$7.1 million in FY2025.

Reflecting its commitment to rewarding shareholders, the Group announced a proposed dividend of 0.173 Singapore cents per share, which would constitute 30.0% of net profit attributable to owners of the Company in FY2025 (as compared to the dividend payout ratio of 29.9% in FY2024), despite a lower net profit in FY2025.

Total assets and total equity increased to S$125.8 million and S$33.0 million respectively as at 31 March 2025: The Group's total assets as at 31 March 2025 comprised current assets of S$104.7 million and non-current assets of S$21.1 million. Major components of current assets were contract assets of S$73.9 million, trade and other receivables of S$19.6 million and cash and cash balances of S$7.4 million. Major component of non-current assets was property, plant and equipment of S$19.1 million.

The Group's total liabilities as at 31 March 2025 comprised current liabilities of S$82.2 million and non-current liabilities of S$10.5 million. Major components of current liabilities were borrowings of S$43.5 million and trade and other payables of S$37.0 million. Major component of non-current liabilities was borrowings of S$8.6 million.

Improved revenue visibility ahead with order book of S$228.6 million as at 31 March 2025: 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.

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This media release is to be read in conjunction with the Company's announcement released on 28 May 2025, which can be downloaded via www.sgx.com.

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

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

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

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

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