



SANLI ENVIRONMENTAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201705316M)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED AND FULL YEAR ENDED 31 MARCH 2026**

TABLE OF CONTENTS

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B. Condensed interim statements of financial position	3-4
C. Condensed interim statements of changes in equity	5-7
D. Condensed interim consolidated statement of cash flows	8-9
E. Notes to the condensed interim consolidated financial statements	10-22
F. Other information pursuant to Appendix 7C of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“Catalist Rules”)	23-33

This announcement has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”).

This announcement 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 announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 6 Months			Group 12 Months		
		1 Oct 2025 to 31 Mar 2026 S\$'000	1 Oct 2024 to 31 Mar 2025 S\$'000	+ /(-) %	1 Apr 2025 to 31 Mar 2026 S\$'000	1 Apr 2024 to 31 Mar 2025 S\$'000	+ /(-) %
Revenue	4	67,564	83,063	(18.7)	139,642	157,572	(11.4)
Cost of contract works		(61,438)	(76,368)	(19.6)	(124,176)	(142,871)	(13.1)
Gross profit		6,126	6,695	(8.5)	15,466	14,701	5.2
Other income		491	472	4.0	3,099	1,533	>100.0
Administrative expenses		(5,130)	(5,122)	0.2	(10,766)	(9,391)	14.6
Other operating expenses		(1,286)	(1,181)	8.9	(2,470)	(2,475)	(0.2)
Finance costs		(1,410)	(1,234)	14.3	(2,684)	(2,315)	15.9
(Loss)/Profit before tax		(1,209)	(370)	>100.0	2,645	2,053	28.8
Income tax credit/(expense)	7	252	342	(26.3)	(395)	(339)	16.5
(Loss)/Profit for the period/year		(957)	(28)	>100.0	2,250	1,714	31.3
Other comprehensive income/(loss), net of tax:							
Exchange differences on translation of foreign operations		21	(3)	N.M.	65	51	27.5
Revaluation gain on property, plant and equipment		703	-	N.M.	16,415	-	N.M.
Deferred tax on revaluation gain		(120)	-	N.M.	(2,791)	-	N.M.
Total comprehensive (loss)/income for the period/year		(353)	(31)	>100.0	15,939	1,765	>100.0
(Loss)/ profit for the period/year attributable to:							
Owners of the Company		(1,074)	(181)	>100.0	2,153	1,541	39.7
Non-controlling interests		117	153	(23.5)	97	173	(43.9)
		(957)	(28)	>100.0	2,250	1,714	31.3
Total comprehensive (loss)/income for the period/year attributable to:							
Owners of the Company		(546)	(195)	>100.0	15,766	1,570	>100.0
Non-controlling interests		193	164	17.7	173	195	(11.3)
		(353)	(31)	>100.0	15,939	1,765	>100.0

N.M.: Not Meaningful

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31 Mar 2026 S\$'000	As at 31 Mar 2025 S\$'000	As at 31 Mar 2026 S\$'000	As at 31 Mar 2025 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		8,794	7,391	217	80
Trade and other receivables		16,151	19,555	25,105	4,741
Contract assets		90,781	73,928	-	-
		115,726	100,874	25,322	4,821
Assets classified as held for sale		-	3,826	-	-
Total current assets		115,726	104,700	25,322	4,821
Non-current assets					
Property, plant and equipment	11	35,530	19,131	-	-
Right-of-use assets		3,114	1,886	-	-
Investment in subsidiaries	12	-	-	21,755	21,755
Deferred tax assets		-	57	-	-
Total non-current assets		38,644	21,074	21,755	21,755
Total assets		154,370	125,774	47,077	26,576
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	13	37,684	43,528	10,000	3,274
Trade and other payables		33,540	37,045	362	364
Contract liabilities		2,132	590	-	-
Lease liabilities	13	50	119	-	-
Income tax payable		413	248	6	-
		73,819	81,530	10,368	3,638
Liabilities directly associated with assets classified as held for sale		-	676	-	-
Total current liabilities		73,819	82,206	10,368	3,638
Non-current liabilities					
Borrowings	13	11,803	8,554	-	-
Lease liabilities	13	2,769	1,325	-	-
Provisions		387	547	-	-
Deferred tax liabilities		2,905	116	-	-
Total non-current liabilities		17,864	10,542	-	-

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

	Note	Group		Company	
		As at 31 Mar 2026	As at 31 Mar 2025	As at 31 Mar 2026	As at 31 Mar 2025
		S\$'000	S\$'000	S\$'000	S\$'000
Capital, reserves and non-controlling interests					
Share capital	14	34,849	21,297	34,849	21,297
Treasury shares	14	(6)	(119)	(6)	(119)
Translation reserves		(208)	(197)	-	-
Merger reserves		(6,755)	(6,755)	-	-
Revaluation reserves		13,624	-	-	-
Capital reserves		1,110	531	589	10
Retained earnings		19,587	17,956	1,277	1,750
Equity attributable to owners of the Company		62,201	32,713	36,709	22,938
Non-controlling interests		486	313	-	-
Total equity		62,687	33,026	36,709	22,938
Total liabilities and equity		154,370	125,774	47,077	26,576

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026
C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share capital S\$'000	Treasury shares S\$'000	Merger reserves S\$'000	Capital reserves S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 April 2024	21,297	(165)	(6,755)	521	(226)	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 paid to owners of the Company	-	-	-	-	-	(873)	(873)	-	(873)
Performance share awarded	-	46	-	(46)	-	-	-	-	-
Share-based payments	-	-	-	56	-	-	56	-	56
Effect from the divestment of ownership in subsidiaries	-	-	-	-	-	*	*	62	62
	-	46	-	10	-	(873)	(817)	62	(755)
Balance as at 31 March 2025	21,297	(119)	(6,755)	531	(197)	17,956	32,713	313	33,026

* less than S\$1,000

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

Group	Share capital	Treasury shares	Merger reserves	Capital reserves	Translation reserves	Revaluation reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2025	21,297	(119)	(6,755)	531	(197)	-	17,956	32,713	313	33,026
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	2,153	2,153	97	2,250
Other comprehensive income for the year	-	-	-	-	(11)	13,624	-	13,613	76	13,689
Total	-	-	-	-	(11)	13,624	2,153	15,766	173	15,939
Transactions with owners, recognised directly in equity:										
Issuance of share capital (net of transaction costs)	13,552	-	-	-	-	-	-	13,552	-	13,552
Re-purchase of shares	-	(202)	-	-	-	-	-	(202)	-	(202)
Dividends paid to owners of the Company	-	-	-	-	-	-	(522)	(522)	-	(522)
Performance share awarded	-	315	-	(315)	-	-	-	-	-	-
Share-based payments	-	-	-	894	-	-	-	894	-	894
	13,552	113	-	579	-	-	(522)	13,722	-	13,722
Balance as at 31 March 2026	34,849	(6)	(6,755)	1,110	(208)	13,624	19,587	62,201	486	62,687

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

Company	Share capital S\$'000	Treasury shares S\$'000	Capital reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 April 2024	21,297	(165)	-	2,572	23,704
Total comprehensive income for the year:					
Profit for the year	-	-	-	51	51
Transactions with owners, recognised directly in equity:					
Dividends paid to owners of the Company	-	-	-	(873)	(873)
Performance share awarded	-	46	(46)	-	-
Share-based payments	-	-	56	-	56
Balance as at 31 March 2025	21,297	(119)	10	1,750	22,938
Balance as at 1 April 2025	21,297	(119)	10	1,750	22,938
Total comprehensive income for the year:					
Profit for the year	-	-	-	49	49
Transaction with owners, recognised directly in equity:					
Issuance of share capital (net of transaction costs)	13,552	-	-	-	13,552
Re-purchase of shares	-	(202)	-	-	(202)
Dividends paid to owners of the Company	-	-	-	(522)	(522)
Performance share awarded	-	315	(315)	-	-
Share-based payments	-	-	894	-	894
Balance as at 31 March 2026	34,849	(6)	589	1,277	36,709

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 31 March 2026	12 months ended 31 March 2025
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	2,645	2,053
Adjustments for:		
Depreciation of property, plant and equipment	2,444	2,581
Depreciation of right-of-use assets	125	182
Gain on disposal of property, plant and equipment	(51)	(19)
Gain on disposal of assets classified as held for sale	(2,133)	(480)
Adjustment for change in provisions	(84)	-
Share-based payment expenses	894	56
Finance costs	2,684	2,315
Interest income	(31)	(127)
Exchange differences	67	64
Operating cash flows before movements in working capital	6,560	6,625
Trade and other receivables	3,404	1,224
Trade and other payables	(4,646)	(4,567)
Contract assets	(16,853)	(11,843)
Contract liabilities	1,542	484
Cash used in operations	(9,993)	(8,077)
Income tax paid	(175)	(721)
Net cash used in operating activities	(10,168)	(8,798)
Cash flows from investing activities		
Purchases of property, plant and equipment (Note A)	(2,344)	(3,243)
Proceeds from disposal of property, plant and equipment	106	37
Proceeds from disposal of assets classified as held for sale	5,283	3,000
Proceeds from partial disposal of interest in subsidiary	-	62
Interest received	31	127
Net cash generated from/(used in) investing activities	3,076	(17)
Cash flows from financing activities		
Dividends paid to owners of the Company	(522)	(873)
Proceeds on issuance of shares (net of transaction costs)	13,552	-
Proceeds from borrowings	11,722	16,844
Proceeds from unsecured loans from directors	3,000	-
Repayment of unsecured loans from directors	(2,000)	-
Repayment of borrowings	(14,317)	(3,736)
Repayment of lease liabilities	(66)	(145)
Purchase of treasury shares	(202)	-
Interest paid	(2,672)	(2,315)
Release of pledged fixed deposits	3,811	-
Net cash generated from financing activities	12,306	9,775
Net increase in cash and cash equivalents	5,214	960
Cash and cash equivalents at the beginning of the financial year	3,580	2,620
Cash and cash equivalents at the end of the financial year	8,794	3,580

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

	Group	
	12 months ended 31 March 2026	12 months ended 31 March 2025
	S\$'000	S\$'000
Consolidated cash and cash equivalents comprise:		
Cash and bank balances	8,794	3,312
Fixed deposits	-	4,079
	8,794	7,391
Less: Pledged fixed deposits	-	(3,811)
Cash and cash equivalents as per consolidated statement of cash flows	8,794	3,580

Note A: As at March 31, 2026, trade and other payables at the end of the year includes amount payable for the purchase of property, plant and equipment amounting to S\$141,000 (2025: Nil).

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Sanli Environmental Limited (the “Company”) is incorporated in Singapore (Registration No. 201705316M) with its principal place of business and registered office at 22 Chin Bee Drive, Singapore 619870. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on June 8, 2017.

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 12 to the condensed interim consolidated financial statements.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 March 2026 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and financial performance of the Group since the last interim financial statements for the six months ended 30 September 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. The adoption of new and amended standards is set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the functional currency of the Company and all financial information presented in Singapore dollar are rounded to the nearest thousand (S\$’000) except otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new and revised SFRS(I) pronouncements does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior periods.

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.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.1 New and revised standards adopted by the Group (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
- Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the change in accounting policy described below, the significant judgements and key sources of estimation uncertainty are consistent with those applied in the audited financial statements for the financial year ended 31 March 2025.

During the financial period, the Group changed its accounting policy for leasehold properties from the cost model to the revaluation model in accordance with SFRS(I) 1-16 Property, Plant and Equipment. Independent professional valuers were engaged to determine the fair value of the leasehold properties as at the date of valuation.

The determination of fair value involves the use of significant management judgement and estimation. The valuation is dependent on the valuation methodologies adopted and the key assumptions applied. Changes in the key assumptions could have a material impact to the valuation.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period reported on.

4. Segment and revenue information

For the purposes of resource allocation and assessment of segment performance, the Group's Chief Operating Decision Makers (CODM), comprising the Group's Chief Executive Officer and Executive Directors, evaluate the Group's business based on its operating units, which are segmented according to the type of services provided. This approach aligns with SFRS(I) 8 Operating Segments.

Operating segments are aggregated into a single reportable segment if they exhibit similar economic characteristics, such as long-term average gross margins, customer types, and regulatory environments, as well as the nature of services and processes.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (cont'd)

For management purposes, the Group is organised into the following three operating segments:

Engineering, Procurement, and Construction (“EPC”) – Provision of EPC services for water and waste management, air pollution control, and industrial systems.

Operations and Maintenance (“O&M”) – Provision of operations and maintenance services for water and waste management systems, ensuring optimal performance and regulatory compliance.

Emerging Business Segments (“EBS”) – This segment encompasses a range of growth-focused businesses, including (i) 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; (ii) 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; as well as (iii) Renewable Energy Solutions (“RES”) – the development, ownership, and operation of solar power assets, including the delivery of EPC services for solar energy systems.

4.1. Reportable segments

Segment revenue and results

	Group	
	6 months ended 31 Mar 2026	6 months ended 31 Mar 2025
	S\$'000	S\$'000
Revenue – EPC	49,182	59,770
Revenue – O&M	16,904	22,462
Revenue – EBS	1,478	831
Total revenue	<u>67,564</u>	<u>83,063</u>
Gross profit – EPC	523	(1,058)
Gross profit – O&M	5,672	7,237
Gross profit – EBS	(69)	516
Total gross profit	<u>6,126</u>	<u>6,695</u>
Unallocated corporate expenses	(4,677)	(4,500)
Depreciation	(1,251)	(1,387)
Interest income	3	56
Finance costs	(1,410)	(1,234)
Loss before tax	<u>(1,209)</u>	<u>(370)</u>
Income tax credit	252	342
Loss for the period	<u>(957)</u>	<u>(28)</u>

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (cont'd)

4.1. Reportable segments (cont'd)

	Group	
	12 months ended	12 months ended
	31 Mar 2026	31 Mar 2025
	S\$'000	S\$'000
Revenue – EPC	95,291	111,162
Revenue – O&M	42,320	44,251
Revenue – EBS	2,031	2,159
Total revenue	<u>139,642</u>	<u>157,572</u>
Gross profit – EPC	9,305	6,060
Gross profit – O&M	6,761	9,063
Gross profit – EBS	(600)	(422)
Total gross profit	<u>15,466</u>	<u>14,701</u>
Unallocated corporate expenses	(7,599)	(7,697)
Depreciation	(2,569)	(2,763)
Interest income	31	127
Finance costs	(2,684)	(2,315)
Profit before tax	<u>2,645</u>	<u>2,053</u>
Income tax expense	(395)	(339)
Profit for the year	<u>2,250</u>	<u>1,714</u>

Geographical segments

The Group's information about the segment revenue by geographical location is detailed below:

	Group	
	Revenue	
	6 months ended	6 months ended
	31 Mar 2026	31 Mar 2025
	S\$'000	S\$'000
Singapore	63,310	81,773
Myanmar	3,673	1,258
Malaysia	528	2
Thailand	53	30
Total revenue	<u>67,564</u>	<u>83,063</u>

	Group	
	Revenue	
	12 months ended	12 months ended
	31 Mar 2026	31 Mar 2025
	S\$'000	S\$'000
Singapore	133,812	155,035
Myanmar	5,126	2,470
Malaysia	626	37
Thailand	78	30
Total revenue	<u>139,642</u>	<u>157,572</u>

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Segment and revenue information (cont'd)

4.1. Geographical segments (cont'd)

The Group's information about the segment non-current assets by geographical location is detailed below:

	Group	
	Non-current assets	
	As at 31 Mar 2026 S\$'000	As at 31 Mar 2025 S\$'000
Singapore	36,916	19,682
Myanmar	78	99
Malaysia	42	52
Thailand	1,608	1,241
Total non-current assets	38,644	21,074

4.2. Disaggregation of revenue

	Group	
	12 months ended 31 Mar 2026 S\$'000	12 months ended 31 Mar 2025 S\$'000
	Over time:	
EPC	95,291	111,162
O&M	42,320	44,251
EBS	1,045	1,958
At a point in time:		
EBS	986	201
Total revenue	139,642	157,572

A breakdown of sales:

	Group		
	12 months ended 31 Mar 2026 S\$'000	12 months ended 31 Mar 2025 S\$'000	% + / (-)
	Sales reported for the first half year	72,078	74,509
Operating profit after tax before deducting non-controlling interests reported for the first half year	3,207	1,742	84.1
Sales reported for the second half year	67,564	83,063	(18.7)
Operating loss after tax before deducting non-controlling interests reported for the second half year	(957)	(28)	>100

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. Financial instruments

The following table sets out the financial assets and liabilities as at the end of the reporting period:

	Group		Company	
	As at 31 Mar 2026	As at 31 Mar 2025	As at 31 Mar 2026	As at 31 Mar 2025
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
- amortised cost	22,869	21,400	25,297	4,772
Financial liabilities				
- amortised cost	83,414	89,674	10,362	3,638
- lease liabilities	2,819	1,444	-	-

5.1. Fair value of financial assets and 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 lease liabilities approximate their respective fair values as the interest rates approximate the prevailing market rates.

The Group and the Company have no financial assets and financial liabilities that are measured at fair value on a recurring basis.

6. Profit before taxation

6.1 Significant items

	Group 6 Months			Group 12 Months		
	1 Oct 2025 to 31 Mar 2026	1 Oct 2024 to 31 Mar 2025	+ / (-)	1 Apr 2025 to 31 Mar 2026	1 Apr 2024 to 31 Mar 2025	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income						
Gain on disposal of assets classified as held for sale	-	-	-	2,133	480	>100.0
Gain on disposal of property, plant and equipment	51	19	>100.0	51	19	>100.0
Government grant income	61	67	(9.0)	77	128	(39.8)
Interest income	3	56	(94.6)	31	127	(75.6)
Net gain on foreign exchange	(3)	204	N.M.	111	288	(61.5)
Expenses						
Special bonus to employees	-	-	-	(1,024)	-	N.M.
Depreciation of property, plant and equipment	(1,198)	(1,331)	(10.0)	(2,444)	(2,581)	(5.3)
Depreciation of right-of-use assets	(53)	(56)	(5.4)	(125)	(182)	(31.3)
Interest expense	(1,410)	(1,234)	14.3	(2,684)	(2,315)	15.9

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. Profit before taxation (cont'd)

6.1 Significant items (cont'd)

N.M.: Not Meaningful

6.2. Related party transactions

During the financial year, the Company received interest-free and unsecured loans of S\$1,000,000 each from Mr. Kew Boon Kee (Deputy Chairman and Executive Director), Mr. Sim Hock Heng (Chief Executive Officer and Executive Director), and Mr. Lee Tien Chiat (Executive Director) to support the Group's working capital requirements. The loans are repayable on demand. Repayments of S\$666,666 were made to each director in December 2025 and February 2026 respectively. As at 31 March 2026, the outstanding balance of unsecured loans due to each director was S\$333,334.

There were no other material related party transactions during FY2026 and FY2025.

7. Income tax expenses

The Group calculates income tax expenses for the financial year using the tax rates prevailing in the relevant jurisdiction. The major components of income tax expenses in the condensed interim consolidated statement of comprehensive income are:

	Group			
	6 months ended 31 Mar 2026 S\$'000	6 months ended 31 Mar 2025 S\$'000	12 months ended 31 Mar 2026 S\$'000	12 months ended 31 Mar 2025 S\$'000
Current tax (credit)/expense	(389)	(248)	254	270
Deferred tax	55	(81)	55	(82)
Under/ (Over) provision of current tax in prior years	82	(13)	86	151
Income tax (credit)/expense	<u>(252)</u>	<u>(342)</u>	<u>395</u>	<u>339</u>

8. Dividend

	Group	
	Year Ended	
	31 March 2026	31 March 2025
	S\$'000	S\$'000
Dividends paid in respect of the preceding financial year		
First and final dividend of 0.173 cents per ordinary share for FY2025 (FY2024: 0.327 cents)	522	873

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. Net asset value

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at 31 Mar 2026	As at 31 Mar 2025	As at 31 Mar 2026	As at 31 Mar 2025
Net asset value per share (cents)	18.27	12.25	10.78	8.59
Net asset value attributable to owners of the Company (S\$'000)	62,201	32,713	36,709	22,938
Number of ordinary shares used	340,400,000	267,047,113	340,400,000	267,047,113

10. Earnings per share

Earnings per ordinary share excluding treasury shares of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	Group		Group	
	6 months ended 31 Mar 2026	6 months ended 31 Mar 2025	12 months ended 31 Mar 2026	12 months ended 31 Mar 2025
(Loss)/Profit attributable to owners of the Company (S\$'000)	(1,074)	(181)	2,153	1,541
Weighted average number of ordinary shares	304,990,409	266,841,110	304,990,409	266,841,110
(Loss)/Earnings per share (basic and diluted) (cents)	(0.35)	(0.07)	0.71	0.58

The basic and diluted loss per share and earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2026 and 31 March 2025.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

11. Property, plant and equipment

During FY2026, the Group acquired assets amounting to S\$2,485,000 (FY2025: S\$2,106,000) and disposed of assets with carrying value amounting to S\$55,000 (FY2025: S\$18,000).

The Group has changed its accounting policy for leasehold properties from the cost model to the revaluation model under SFRS(I) 16, to better reflect their current fair value. As a result, a revaluation gain of S\$16,415,000 (FY2025: Nil) was recognised in the other comprehensive income, with S\$13,624,000 (net of deferred tax of S\$2,791,000) credited to the revaluation reserve. Depreciation has been adjusted based on the revised carrying amounts.

12. Investment in subsidiaries

	Company	
	As at	As at
	31 Mar 2026	31 Mar 2025
	S\$'000	S\$'000
Unquoted equity shares, at cost	21,755	21,755

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	
			As at	As at
			31 Mar 2026	31 Mar 2025
			%	%
Sanli M&E Engineering Pte. Ltd. ("Sanli M&E")	Engineering, procurement and construction solutions and services in the field of water and waste management.	Singapore	100	100

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12. Investment in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Country of incorporation and operation	Effective equity interest of the Group	
			As at 31 Mar 2026	As at 31 Mar 2025
			%	%
<u>Held by Sanli M&E</u>				
Sanli M&E Engineering Sdn. Bhd.	Project management, contracting and M&E engineering services in the water treatment industry.	Malaysia	100	100
Sanli E&C Pte. Ltd.	Engineering, procurement and construction solutions and services in the field of water and waste management.	Singapore	90	90
Sanli Environmental (Myanmar) Company Limited ("Sanli Myanmar")	Engineering, procurement and construction solutions and services in the field of water and waste management.	Myanmar	60	60
Enviro Plant & Engineering Pte. Ltd. ("Enviro")	General contractors and environmental engineering design and consultancy services.	Singapore	90	90
Mag Chemical Pte. Ltd.	Manufacture of water treatment, waste treatment and oilfield chemicals.	Singapore	100	100
Sanli-Engreen Co., Ltd. ("Sanli Engreen")	Engineering, procurement and construction solutions and services in solar power generation systems.	Thailand	51*	51*
Sanli Bina (M) Sdn. Bhd.	Comprehensive engineering solutions and waste treatment services.	Malaysia	100	100
WSH360 Solutions Pte. Ltd.	Consultancy and provision of comprehensive safety training programs.	Singapore	100	100
<u>Held by Sanli Myanmar</u>				
Link Control Co. Ltd.	Business support and administrative activities.	Myanmar	86*	86*

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12. Investment in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Country of incorporation and operation	Effective equity interest of the Group	
			As at	As at
			31 Mar 2026	31 Mar 2025
			%	%
<u>Held by Enviro</u>				
Zaison Energy Pte. Ltd.	Engineering, procurement and construction solutions and services for waste-to-energy gasification projects.	Singapore	58.5	58.5

* Includes shares under contractual arrangement with the other respective shareholders.

13. Borrowings

	Group			
	As at 31 Mar 2026		As at 31 Mar 2025	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
Borrowings	37,684	-	43,528	-
Lease liabilities	50	-	119	-
Amount repayable after one year				
Borrowings	11,803	-	8,554	-
Lease liabilities	2,769	-	1,325	-
Total	52,306	-	53,526	-

Details of collateral:

Borrowings are secured by bank deposits, mortgages of leasehold properties, motor vehicle, corporate guarantees from the Company and securities assignment.

Lease liabilities are secured by lessors' title to the leasehold properties.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. Share capital

14.1 Details of any changes in the Company's issued share capital (excluding treasury shares)

	Group and Company			
	As at	As at	As at	As at
	31 Mar 2026	31 Mar 2025	31 Mar 2026	31 Mar 2025
	Number of ordinary shares ('000)		S\$'000	S\$'000
Issued and paid up:				
At beginning of financial year	267,047	266,432	21,297	21,297
Issuance of share capital ⁽¹⁾	71,826	-	14,008	-
Share issue expenses	-	-	(456)	-
Purchase of treasury shares ⁽²⁾	(1,980)	-	-	-
Transfer of treasury shares	3,507	615	-	-
At end of financial year	<u>340,400</u>	<u>267,047</u>	<u>34,849</u>	<u>21,297</u>

Note 1: On 9 July 2025 and 1 December 2025, the Company allotted and issued an aggregate of 33,333,333 and 38,492,404 new fully paid-up ordinary shares in the capital of the Company pursuant to a placement exercise undertaken by the Company announced on 2 July 2025 and 24 November 2025.

Note 2: During the financial year, the Company repurchased 1,980,000 shares by way of market acquisition for an aggregate consideration of approximately S\$202,000 and all shares repurchased were held as treasury shares. The latest share buyback for the current financial period was purchased and announced on 23 June 2025.

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.

The Company does not hold any convertible instruments as at 31 March 2026 and 31 March 2025.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2026 and 31 March 2025.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14.2 Details of any changes in the Company's treasury shares

	Group and Company			
	As at 31 Mar 2026	As at 31 Mar 2025	As at 31 Mar 2026	As at 31 Mar 2025
	Number of ordinary shares ('000)		S\$'000	
At the beginning of the financial year	1,611	2,226	119	165
Purchase of treasury shares	1,980	-	202	-
Transfer of treasury shares	(3,507)	(615)	(315)	(46)
At the end of the financial year	<u>84</u>	<u>1,611</u>	<u>6</u>	<u>119</u>
Percentage of treasury shares against total number of issued shares (excluding treasury shares and subsidiary holdings)	0.02%	0.60%		

The Company has, on 29 August 2025, transferred an aggregate of 3,507,150 treasury shares for the purpose of release of share awards granted to eligible participants under the Sanli Performance Share Plan.

15. Contingent Liability

With regard to the Company's announcement dated 5 January 2026 relating to the receipt of a Liquidated Damages ("LD") letter, Management has assessed the potential exposure arising from the matter.

The Company has submitted extensions of time ("EOT") claims to the customer, which have been evaluated with the assistance of an independent consultant engaged by the Company.

As at the date of this announcement, the assessment of the EOT claims remains ongoing and no final determination has been made by the customer in respect of the LD matter. Accordingly, no provision for LDs has been recognised in the financial statements as Management does not reasonably consider an outflow of economic resources to be probable at this stage.

Management will continue to monitor developments relating to the EOT assessment and will reassess the accounting treatment and disclosures should there be any material developments in the matter.

16. Subsequent events

There are no known subsequent events that have led to adjustments to this set of condensed interim financial statements.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

F. OTHER INFORMATION PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard

The condensed interim consolidated statement of financial position of the Group and the condensed interim statement of financial position of the Company as at 31 March 2026, and the condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows of the Group and the condensed interim statement of changes in equity of the Company for the six months period and full year ended 31 March 2026, and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 March 2025 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

3. Review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

3.1 Review of the Group's financial performance

Revenue

2H2026 vs 2H2025

Revenue decreased by S\$15.5 million (18.7%), from S\$83.1 million in 2H2025 to S\$67.6 million in 2H2026.

The year-on-year decrease was primarily attributable to the following segmental developments:

- i. Revenue from the EPC segment declined by S\$10.6 million (17.7%), from S\$59.8 million in 2H2025 to S\$49.2 million in 2H2026. The reduction was mainly due to the progression of certain projects into different milestone stages, which resulted in extended project timelines and corresponding deferral of revenue recognition.
- ii. Revenue from the O&M segment decreased by S\$5.6 million (24.7%), from S\$22.5 million in 2H2025 to S\$16.9 million in 2H2026. The decrease was primarily due to a lower volume of orders during the period.

FY2026 vs FY2025

Revenue declined by S\$18.0 million (11.4%), from S\$157.6 million in FY2025 to S\$139.6 million in FY2026.

Segmental performance was as follows:

- i. Revenue from EPC segment decreased by S\$15.9 million (14.3%), from S\$111.2 million in FY2025 to S\$95.3 million in FY2026. The reduction was mainly due to the progression of certain key projects into different milestone stages, resulting in extended project execution timelines and the deferral of revenue recognition.
- ii. Revenue from the O&M segment declined by S\$1.9 million (4.4%), from S\$44.2 million in FY2025 to S\$42.3 million in FY2026. The decrease was primarily attributable to a lower volume of orders secured during the year.
- iii. Revenue from the EBS segment decreased by S\$0.2 million (5.9%), from S\$2.2 million in FY2025 to S\$2.0 million in FY2026. The decline was mainly due to reduced IND project activity following the completion of a major contract in the prior financial year, partly offset by growth in the CHM sub-segment.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

Cost of contract works, gross profit and gross profit margin

2H2026 vs 2H2025

Cost of contract works decreased by S\$14.9 million (19.6%), from S\$76.3 million in 2H2025 to S\$61.4 million in 2H2026.

The decrease was attributable to the following segmental factors:

- i. Cost of contract works for the EPC segment decreased by S\$12.1 million (20.0%), from S\$60.8 million in 2H2025 to S\$48.7 million in 2H2026. This was mainly in line with the lower revenue recorded during the period.
- ii. Cost of contract works for the O&M segment declined by S\$4.0 million (26.2%), from S\$15.2 million in 2H2025 to S\$11.2 million in 2H2026. The decrease was primarily attributable to a lower volume of orders during the period.

Gross profit decreased by S\$0.6 million (8.5%), from S\$6.7 million in 2H2025 to S\$6.1 million in 2H2026, largely in line with the decline in revenue.

Overall gross profit margin increased from 8.1% in 2H2025 to 9.1% in 2H2026, mainly due to a more favourable project mix, particularly within the EPC and CHM segments.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

FY2026 vs FY2025

Cost of contract works decreased by S\$18.7 million (13.1%), from S\$142.9 million in FY2025 to S\$124.2 million in FY2026.

The movement was attributable to the following segmental factors:

- i. Cost of contract works for the EPC segment decreased by S\$19.1 million (18.2%), from S\$105.1 million in FY2025 to S\$86.0 million in FY2026. The reduction was mainly in line with lower revenue recorded during the financial year.
- ii. Cost of contract works for the O&M segment increased by S\$0.4 million (1.1%), from S\$35.2 million in FY2025 to S\$35.6 million in FY2026. The increase was mainly attributable to higher labour costs and increases in raw material prices during the year.

Gross profit increased by S\$0.8 million (5.2%), from S\$14.7 million in FY2025 to S\$15.5 million in FY2026. The increase was mainly attributable to improved gross profit contribution from the EPC segment, arising from cost efficiencies, including savings in raw material costs, and was partially offset by a decline in gross profit from the O&M segment.

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

Other income

2H2026 vs 2H2025

Other income remained unchanged at S\$0.5 million in 2H2026, as compared to 2H2025.

FY2026 vs FY2025

Other income increased by S\$1.6 million, or 102.2%, from S\$1.5 million in FY2025 to S\$3.1 million in FY2026. The increase was primarily due to gains arising from the disposal of the property at 28 Kian Teck Drive during the financial year.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

Administration expenses

2H2026 vs 2H2025

Administrative expenses increased by S\$0.1 million (0.2%), from S\$5.1 million in FY2025 to S\$5.2 million in FY2026 mainly due to higher staff-related costs (including salaries).

FY2026 vs FY2025

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

Other operating expenses

2H2026 vs 2H2025

Other operating expenses remained unchanged at S\$1.2 million in 2H2026, as compared to 2H2025.

FY2026 vs FY2025

Other operating expenses decreased marginally by S\$0.1 million (0.2%), from S\$2.5 million in FY2025 to S\$2.4 million in FY2026. The decrease was mainly attributable to lower depreciation expenses on property, plant and equipment during the financial year.

Finance costs

2H2026 vs 2H2025

Finance costs increased by S\$0.2 million (14.3%), from S\$1.2 million in 2H2025 to S\$1.4 million in 2H2026. The increase was primarily due to interest expenses incurred on commercial papers during the period.

FY2026 vs FY2025

Finance costs rose by S\$0.4 million (15.9%), from S\$2.3 million in FY2025 to S\$2.7 million in FY2026. This increase was mainly driven by interest expenses on commercial papers as well as higher facility fees incurred during the financial year.

Profit for the period/year

As a result of the foregoing, the Group reported a net loss of S\$1.0 million for 2H2026, while recording a net profit of S\$2.3 million for FY2026.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

3.2. Review of the Group's financial position

Current assets

Current assets increased by S\$11.0 million, from S\$104.7 million as of 31 March 2025 to S\$115.7 million as of 31 March 2026. The increase was mainly attributable to the following:

Contract Assets increased by S\$16.9 million, from S\$73.9 million as of 31 March 2025 to S\$90.8 million as at 31 March 2026. The increase reflects progress made on several large government infrastructure projects towards the end of FY2026, with certain projects reaching key milestones close to the financial year-end. Billings in respect of these milestones are expected to be recognised in the subsequent financial year.

Cash and Cash Equivalents increased by S\$1.4 million, from S\$7.4 million as of 31 March 2025 to S\$8.8 million as of 31 March 2026, reflecting stable cash flows during the year.

Trade and Other Receivables decreased by S\$3.4 million, from S\$19.6 million as at 31 March 2025 to S\$16.2 million as at 31 March 2026. The decrease was mainly attributable to lower prepayments made to vendors, arising from improved purchase terms secured during the year.

Assets Held for Sale decreased by S\$3.8 million, from S\$3.8 million as of 31 March 2025 to nil as at 31 March 2026, following the completion of a property disposal during the financial year.

Non-current assets

Non-current assets increased by S\$17.6 million, from S\$21.0 million as of 31 March 2025 to S\$38.6 million as of 31 March 2026. The increase was mainly due to the change from the cost method to the revaluation method during the year, which resulted in an increase in the carrying value of the property.

Current liabilities

Current liabilities decreased by S\$8.4 million, from S\$82.2 million as of 31 March 2025 to S\$73.8 million as of 31 March 2026. The reduction was mainly due to lower bank borrowings and trade payables.

Non-current liabilities

Non-current liabilities increased by S\$7.4 million, from S\$10.5 million as of 31 March 2025 to S\$17.9 million as of 31 March 2026. The increase was mainly attributable to a higher outstanding balance of term loans, deferred tax liabilities and lease liabilities as at year-end.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

3.3. Review of the Group's cash flows

FY2026 vs FY2025

Net cash used in operating activities amounted to S\$10.2 million in FY2026, reflecting operating cash flow before movements in working capital of S\$6.6 million, adjusted for a net cash outflow from working capital changes (including income tax paid) of S\$16.8 million.

The net cash outflow from working capital was mainly attributable by the following factors:

- i. Contract asset increased by S\$16.9 million, reflecting substantial progress on several large government infrastructure projects towards the end of FY2026. Certain projects reached key milestones close to the financial year-end, with billings expected to be recognised in the subsequent financial year.
- ii. Trade and other receivables decreased by S\$3.4 million, mainly attributable to lower prepayments made to vendors, arising from improved purchase terms secured during the year.
- iii. Trade and other payables decreased by S\$4.6 million, following the settlement of supplier balances during the financial year.
- iv. Contract liabilities increased by S\$1.5 million, primarily due to higher advance billings received for projects which had not yet reached the revenue recognition stage.
- v. Income tax paid amounted to S\$0.2 million.

Collectively, these movements resulted in a net cash outflow from working capital, reflecting the Group's operational and project funding requirements during the financial year.

Net cash generated from investing activities amounted to S\$3.1 million in FY2026, primarily due to proceeds from the disposal of assets classified as held for sale.

Net cash generated from financing activities was S\$12.3 million, mainly attributable to proceeds from share issuances and the issuance of commercial papers to support working capital and project funding requirements. This was partially offset by loan repayments, dividend payments, and interest expenses.

As a result, the Group recorded a net increase of S\$5.2 million in cash and cash equivalents for FY2026.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously made to shareholders.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

Expansion of EPC

The Group's order book stood at S\$748.1 million as at 31 March 2026, comprising predominantly ongoing EPC water and wastewater treatment as well as transport infrastructure projects, which form the core of the Group's municipal business in Singapore. Major completions of the order book are scheduled progressively through FY2027 to FY2032.

Looking ahead, a number of sizeable EPC projects are expected to be tendered over the next 12 months. The Group intends to actively participate in these tenders and, subject to successful awards, such projects may provide potential growth opportunities.

Expansion of O&M

The Group's O&M business segment provides a stable and predictable revenue stream within a defensive industry. During FY2026, the Group continued to gain momentum in expanding this segment. Leveraging its established engineering capabilities and proven track record in this niche industry, the Group will remain focused on securing new O&M contracts for the long-term operation and maintenance of water and wastewater treatment plants and public utilities.

Expansion of CHM

In FY2026, the Group delivered more than 1,000 metric tonnes of magnesium hydroxide slurry, as compared to less than 200 tonnes in FY2025.

Looking ahead, the Group remains optimistic about the long-term growth potential of this business segment. The Group will continue to deepen its market penetration within the marine industry while actively exploring new applications for its magnesium hydroxide slurry, with the aim of unlocking additional revenue streams and expanding into new markets.

Expansion of IND

The Group is exploring tender opportunities across the region, with a focus on Singapore and Malaysia, where demand for sustainable industrial solutions is expected to remain resilient.

Expansion of RES

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

Update on Sanli Myanmar

In FY2026, Sanli Myanmar contributed approximately 3.7% of the Group's revenue, reflecting its stable and continue presence in the market.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

Amid ongoing political and economic uncertainties, the Group has opted for a conservative approach, focusing on maintaining a minimal operational footprint to preserve cash flow and limit financial exposure while continuing to support existing clients.

Outlook

Despite the encouraging pipeline of opportunities, the Group remains mindful of the broader macroeconomic environment. Ongoing geopolitical tensions, global supply chain disruptions, and inflationary pressures continue to present challenges, which may impact project costs, material availability, and overall operational efficiency.

In light of these uncertainties, the Group remains vigilant in managing potential risks while maintaining a disciplined approach to cost control and cash flow management.

Looking ahead, the Group will leverage its engineering expertise, proven track record, and operational excellence to capture growth opportunities across its core business segments, including water and wastewater treatment, industrial solutions, and renewable energy.

In addition, the Group will continue to actively pursue strategic partnerships and new project opportunities to strengthen its market position and enhance long-term shareholder value.

6. Dividend information

6a. Current financial period reported on

Any interim (final) dividend recommended for the current financial period reported on?

The Directors are pleased to recommend a final dividend of 0.189 Singapore cents per share for FY2026 (the "Dividend"). The Dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held in July 2026 (the "AGM").

Name of dividend	Final
Dividend type	Cash
Dividend amount per ordinary share	0.189 Singapore cents
Tax rate	One tier tax exempt

The final dividend payout for FY2026 would constitute 29.9% of net profit after tax attributable to owners of the Company in FY2026.

6b. Corresponding period of the immediate preceding financial year

Any interim (final) dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final
Dividend type	Cash
Dividend amount per ordinary share	0.173 Singapore cents
Tax rate	One tier tax exempt

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

The final dividend for FY2025 constitutes 30.0% of net profit after tax attributable to owners of the Company in FY2025 and was paid on 30 September 2025.

6c. Date payable

Subject to shareholders' approval of the dividend at the AGM, the payment date for the dividend will be announced at a later date.

6d. Date on which registrable transfers received by the Company will be registered before entitlements to the dividend are determined

Subject to shareholders' approval of the Dividend at the AGM, the record date for determining shareholders' entitlement to the Dividend will be announced at a later date.

7. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

8. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions.

During the financial year, the Company received interest-free and unsecured loans of S\$1,000,000 each from Mr. Kew Boon Kee (Deputy Chairman and Executive Director), Mr. Sim Hock Heng (Chief Executive Officer and Executive Director), and Mr. Lee Tien Chiat (Executive Director) to support the Group's working capital requirements. The loans are repayable on demand. As the loans are interest-free, there is no amount at risk to the Group. During the financial year, S\$666,666 was repaid to each of the above directors.

Apart from the above, there were no other interested person transactions of S\$100,000 or more for the full year ended 31 March 2026.

9. Updates on use of proceeds

The Company has raised net cash proceeds amounting to approximately S\$9,589,000 ("**Net Proceeds**") from the Placement completed on 1 December 2025 and the Net Proceeds have been partially utilised for general working capital purposes (including funding the execution of ongoing EPC projects, in accordance with the intended use as disclosed in the Company's announcement dated 24 November 2025. Further details on the use of proceeds are available in the Company's announcement on 13 February 2026.

10. Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules

Not applicable. There were no acquisitions (including incorporations) or realisations of shares in any of the Group's subsidiary or associated company since the end of the previous reporting year.

Sanli Environmental Limited
Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2026

11. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that during FY2026 and up to the date hereof, there has not been any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Sim Hock Heng
Chief Executive Officer and Executive Director
28 May 2026