



SANLI ENVIRONMENTAL LIMITED

Company Registration No.: 201705316M

Media Release

Sanli Posts Gross Profit Growth of 16.7% with Net Profit Growth of 84.1% to S\$3.2 Million in 1H2026

- Revenue from the Group's EPC business segment was lower but it continues to be the main revenue contributor, while its O&M business segment sustained its growth momentum in 1H2026
- Driven by higher margin EPC projects in 1H2026, gross profit increased 16.7% to S\$9.3 million
- Record order book of S\$781.5 million provides improved revenue visibility ahead
- Align with its growth strategy, the Group is positioning itself to capture opportunities in large scale projects from Singapore's long-term coastal protection, water infrastructure programmes and transport infrastructure expansion initiatives

Half year ended 30 September

(S\$ million)	1H2025	1H2026	Change (%)
Revenue	74.5	72.1	(3.3)
Gross Profit	8.0	9.3	16.7
Net Profit	1.7	3.2	84.1
EBITDA	4.9	6.4	32.1

SINGAPORE, 14 November 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"), is pleased to announce its results for the half year ended 30 September 2025 ("1H2026").

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.

The Group's business activities are 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 1H2026

Commenting on the 1H2026 financial results, Mr. Sim Hock Heng (“沈福兴”), Chief Executive Officer and Executive Director of Sanli, said: “We are encouraged to see our gross margins gradually normalising, reflecting the effectiveness of our disciplined cost management and project execution as the few remaining COVID-legacy projects are being completed.

With a strengthened order book providing healthy revenue visibility, we are also well-positioned to capitalise on emerging opportunities within the water and transport industry in Singapore and sustain a steady growth trajectory.

In addition, we see good progress in our diversification strategy, particularly in our Chemical Manufacturing business segment, where production volumes are ramping up to meet growing customer demand.

Looking ahead, we will continue to build on this positive momentum by expanding our order book, strengthening our core capabilities, and pursuing strategic opportunities that enhance long-term value creation for our stakeholders.”

Across the three operating segments, the Group’s O&M segment sustained its growth momentum, achieving higher revenue growth in 1H2026: The Group posted revenue of S\$72.1 million in 1H2026 (1H2025: S\$74.5 million), of which its EPC business segment continued to be the main revenue contributor with S\$46.1 million, compared to S\$51.4 million in 1H2025.

As the Group’s polder project at Pulau Tekong and the Johor River Waterworks project at Kota Tinggi (PUB) have reached the tail-end of the project stages, where substantial works have already been completed, this resulted in lower revenue recognition in 1H2026 compared to the previous period when construction activities were higher.

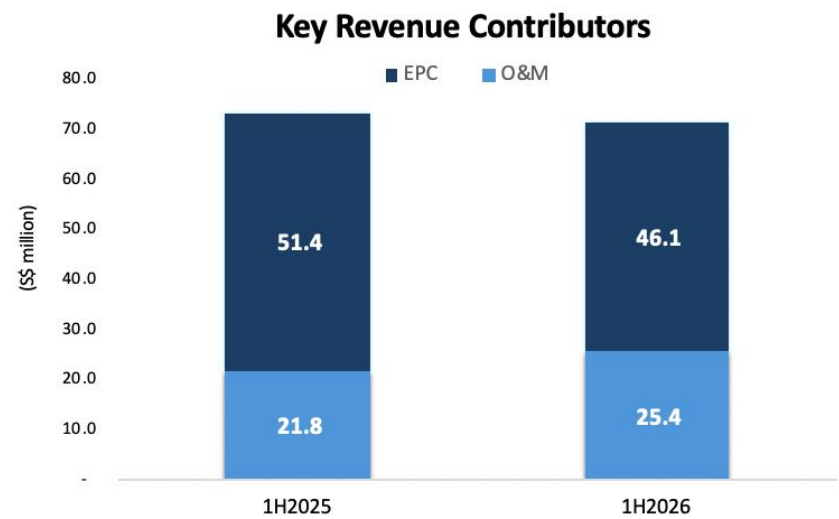
With a key focus on expanding its recurring revenue base, the Group’s O&M business segment contributed revenue of S\$25.4 million in 1H2026, a growth of 16.6% as compared to S\$21.8 million in 1H2025. Leveraging on its engineering capabilities and track record in this niche industry, the Group will continue to focus on securing new O&M contracts for the long-term maintenance of water and wastewater plants, as well as other public utilities.

Under its EBS, revenue dipped by S\$0.8 million to S\$0.6 million in 1H2026 from S\$1.3 million in 1H2025 due to reduced business activities in IND following the completion of an industrial system upgrade project in the previous corresponding period.

IND is actively pursuing tender opportunities across the region — particularly in Singapore, Malaysia, and Thailand — where demand for sustainable industrial solutions continues to grow, extending the Group’s track record beyond its traditional municipal market.

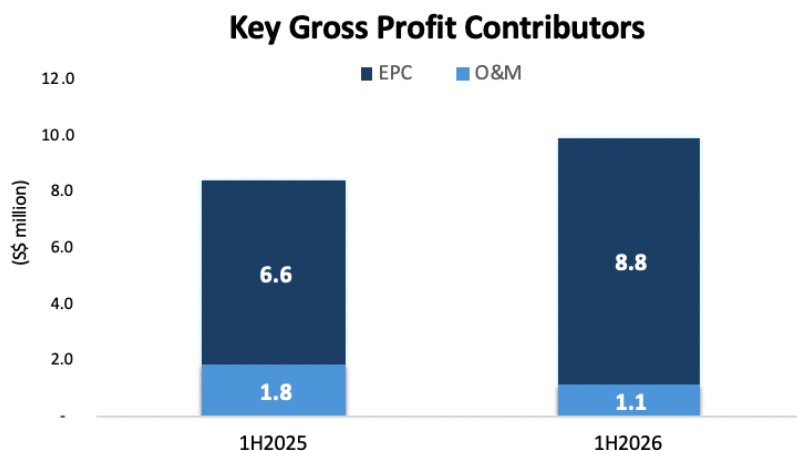
For CHM, the Group reached a key milestone in FY2025 by completing its first magnesium hydroxide slurry top-up for a major vessel. Since then, the Group has started to generate recurring revenue with production volumes ramping up to meet growing customer demand. Building on this momentum, the Group is looking to deepen market penetration within the marine industry and to explore new applications for its magnesium hydroxide slurry to unlock new revenue streams across different 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 continues to target more of such projects in the pipeline to build and grow a stable, recurring revenue stream within the renewable energy sector.



Gross profit in 1H2026 increased 16.7% to S\$9.3 million in 1H2026, driven by higher margin from EPC projects: While the Group posted lower revenue growth in 1H2026, its gross profit increased 16.7% to S\$9.3 million, from S\$8.0 million in 1H2025, driven by higher margin EPC projects in 1H2026. The Group's O&M business segment contributed lower gross profit of S\$1.1 million in 1H2026, as compared to a gross profit of S\$1.8 million in 1H2025 mainly due to higher material and spare parts costs.

Overall, the Group's gross profit margin improved to 13.0% in 1H2026, from 10.7% in 1H2025.



Increased administrative costs in 1H2026 that was mainly due to the one-time special bonus to employees (excluding Executive Directors): In FY2025, the Group did not declare any employee bonuses due to lower profitability and the absence of significant contract wins. However, in view of the improved outlook supported by a strengthened order book, a one-time special bonus of approximately S\$1.0 million was granted to eligible employees (excluding Executive Directors) in 1H2026.

Excluding the one-time special bonus, the Group's administrative costs would have increased marginally to S\$4.6 million in 1H2026 (1H2025: S\$4.3 million).

The Group's financing costs increased marginally to S\$1.3 million in 1H2026 from S\$1.1 million in 1H2025, which was mainly due to higher facility fees paid during 1H2026.

The Group's other operating expenses decreased marginally to S\$1.2 million in 1H2026 from S\$1.3 million in 1H2025, which was largely attributed to lower depreciation expenses of property, plant and equipment and right-of-use assets, partly offset by foreign exchange fluctuations.

Net profit growth of 84.1% with EBITDA of S\$6.4 million in 1H2026: The Group's other income increased by S\$1.5 million, from S\$1.1 million in 1H2025 to S\$2.6 million in 1H2026, which was mainly due to the gain on disposal of the property at 28 Kian Teck Drive of S\$2.3 million during 1H2026.

Overall, the Group posted a net profit growth of 84.1% to S\$3.2 million in 1H2026 (1H2025: S\$1.7 million), and reflecting the resiliency of its business activities, the Group's EBITDA was S\$6.4 million in 1H2026 (1H2025: S\$4.9 million).

Total assets and total equity increased to S\$140.6 million and S\$53.4 million respectively as at 30 September 2025: The Group's total assets as at 30 September 2025 comprised current assets of S\$102.7 million and non-current assets of S\$37.9 million. Current assets comprise of contract assets of S\$82.7 million, trade and other receivables of S\$14.8 million and cash and cash balances of S\$5.2 million. Major component of non-current assets was property, plant and equipment of S\$34.6 million.

The Group's total liabilities as at 30 September 2025 comprised current liabilities of S\$73.9 million and non-current liabilities of S\$13.3 million. Major components of current liabilities were borrowings of S\$41.5 million and trade and other payables of S\$31.1 million. Major components of non-current liabilities were borrowings of S\$7.4 million, lease liabilities of S\$2.8 million and deferred tax liabilities of S\$2.8 million.

Record order book of S\$781.5 million provides improved revenue visibility ahead: Subsequent to 1H2026, in October 2025, the Group was awarded its maiden LTA project with a contract value of S\$281.0 million to supply and install of electrical services for Cross Island Line Phase 1 and Cross Island Line – Punggol Extension. This LTA project also marks the largest single contract secured by the Group to date.

The Group's record order book of S\$781.5 million, 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 over the next five years.

Align with its growth strategy, the Group is positioning itself to capture opportunities in large scale projects from Singapore's long-term coastal protection, water infrastructure programmes and transport infrastructure expansion initiatives.

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This media release is to be read in conjunction with the Company's announcement released on 14 November 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/>

Issued for and on behalf of Sanli Environmental Limited

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This media release has been reviewed by the Company's sponsor ("Sponsor"), SAC Capital Private Limited. This media release has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made, or reports contained in this media release. The contact person for the Sponsor is Ms. Lee Khai Yinn (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.