



**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 2023**

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*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.*

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**Sanli Environmental Limited**  
**Condensed Interim Financial Statements**  
**For the Six-Months and Full-Year Ended 31 March 2023**

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

|                                                                               | <b>Group<br/>6 Months</b>            |                                      |                      | <b>Group<br/>12 Months</b>           |                                      |                      |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|----------------------|--------------------------------------|--------------------------------------|----------------------|
|                                                                               | <b>1 Oct 2022 to<br/>31 Mar 2023</b> | <b>1 Oct 2021 to<br/>31 Mar 2022</b> | <b>+ / (-)<br/>%</b> | <b>1 Apr 2022 to<br/>31 Mar 2023</b> | <b>1 Apr 2021 to<br/>31 Mar 2022</b> | <b>+ / (-)<br/>%</b> |
|                                                                               | <b>S\$'000</b>                       | <b>S\$'000</b>                       |                      | <b>S\$'000</b>                       | <b>S\$'000</b>                       |                      |
| Revenue                                                                       | 67,408                               | 36,703                               | 83.7                 | 106,428                              | 64,666                               | 64.6                 |
| Cost of contract works                                                        | (58,435)                             | (32,723)                             | 78.6                 | (92,187)                             | (56,901)                             | 62.0                 |
| <b>Gross profit</b>                                                           | <b>8,973</b>                         | <b>3,980</b>                         | <b>&gt;100.0</b>     | <b>14,241</b>                        | <b>7,765</b>                         | <b>83.4</b>          |
| Other income                                                                  | 338                                  | 961                                  | (64.8)               | 790                                  | 2,159                                | (63.4)               |
| Administrative expenses                                                       | (4,800)                              | (3,253)                              | 47.6                 | (7,807)                              | (6,153)                              | 26.9                 |
| Other operating expenses                                                      | (868)                                | (703)                                | 23.5                 | (1,786)                              | (1,671)                              | 6.9                  |
| Finance costs                                                                 | (334)                                | (65)                                 | >100.0               | (427)                                | (103)                                | >100.0               |
| Profit before tax                                                             | 3,309                                | 920                                  | >100.0               | 5,011                                | 1,997                                | >100.0               |
| Income tax                                                                    | (469)                                | (33)                                 | >100.0               | (835)                                | (243)                                | >100.0               |
| <b>Profit for the period/year</b>                                             | <b>2,840</b>                         | <b>887</b>                           | <b>&gt;100.0</b>     | <b>4,176</b>                         | <b>1,754</b>                         | <b>&gt;100.0</b>     |
| <b>Other comprehensive income/<br/>(loss), net of tax:</b>                    |                                      |                                      |                      |                                      |                                      |                      |
| Exchange differences on translation of foreign operations                     | (34)                                 | 5                                    | N.M.                 | (85)                                 | (150)                                | (43.3)               |
| <b>Total comprehensive income for the period/year</b>                         | <b>2,806</b>                         | <b>892</b>                           | <b>&gt;100.0</b>     | <b>4,091</b>                         | <b>1,604</b>                         | <b>&gt;100.0</b>     |
| <b>Profit/(loss) for the period/year attributable to:</b>                     |                                      |                                      |                      |                                      |                                      |                      |
| Owners of the Company                                                         | 2,866                                | 846                                  | >100.0               | 4,349                                | 1,774                                | >100.0               |
| Non-Controlling Interests                                                     | (26)                                 | 41                                   | N.M.                 | (173)                                | (20)                                 | >100.0               |
|                                                                               | <b>2,840</b>                         | <b>887</b>                           | <b>&gt;100.0</b>     | <b>4,176</b>                         | <b>1,754</b>                         | <b>&gt;100.0</b>     |
| <b>Total comprehensive income/(loss) for the period/year attributable to:</b> |                                      |                                      |                      |                                      |                                      |                      |
| Owners of the Company                                                         | 2,841                                | 848                                  | >100.0               | 4,288                                | 1,683                                | >100.0               |
| Non-controlling interests                                                     | (35)                                 | 44                                   | N.M.                 | (197)                                | (79)                                 | >100.0               |
|                                                                               | <b>2,806</b>                         | <b>892</b>                           | <b>&gt;100.0</b>     | <b>4,091</b>                         | <b>1,604</b>                         | <b>&gt;100.0</b>     |

N.M.: Not Meaningful

**Sanli Environmental Limited**  
**Condensed Interim Financial Statements**  
**For the Six-Months and Full-Year Ended 31 March 2023**

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

|                                                        |      | Group                |                      | Company              |                      |
|--------------------------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
|                                                        |      | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|                                                        | Note | S\$'000              | S\$'000              | S\$'000              | S\$'000              |
| <b>ASSETS</b>                                          |      |                      |                      |                      |                      |
| <b>Current assets</b>                                  |      |                      |                      |                      |                      |
| Cash and cash equivalents                              |      | 19,802               | 11,527               | 81                   | 68                   |
| Trade and other receivables                            |      | 19,021               | 7,905                | 128                  | 129                  |
| Contract assets                                        |      | 46,499               | 24,477               | -                    | -                    |
| Total current assets                                   |      | 85,322               | 43,909               | 209                  | 197                  |
| <b>Non-current assets</b>                              |      |                      |                      |                      |                      |
| Property, plant and equipment                          | 11   | 8,270                | 8,424                | -                    | -                    |
| Right-of-use assets                                    |      | 1,310                | 1,190                | -                    | -                    |
| Investment in subsidiaries                             | 12   | -                    | -                    | 21,755               | 21,755               |
| Deferred tax assets                                    |      | 56                   | 68                   | -                    | -                    |
| Total non-current assets                               |      | 9,636                | 9,682                | 21,755               | 21,755               |
| <b>Total assets</b>                                    |      | 94,958               | 53,591               | 21,964               | 21,952               |
| <b>LIABILITIES AND EQUITY</b>                          |      |                      |                      |                      |                      |
| <b>Current liabilities</b>                             |      |                      |                      |                      |                      |
| Borrowings                                             | 13   | 11,414               | 789                  | -                    | -                    |
| Trade and other payables                               |      | 41,882               | 12,917               | 229                  | 201                  |
| Contract liabilities                                   |      | 5,647                | 6,833                | -                    | -                    |
| Lease liabilities                                      | 13   | 288                  | 173                  | -                    | -                    |
| Income tax payable                                     |      | 691                  | 155                  | -                    | -                    |
| Total current liabilities                              |      | 59,922               | 20,867               | 229                  | 201                  |
| <b>Non-current liabilities</b>                         |      |                      |                      |                      |                      |
| Borrowings                                             | 13   | 2,802                | 3,613                | -                    | -                    |
| Lease liabilities                                      | 13   | 1,057                | 1,027                | -                    | -                    |
| Deferred tax liabilities                               |      | 50                   | 49                   | -                    | -                    |
| Total non-current liabilities                          |      | 3,909                | 4,689                | -                    | -                    |
| <b>Capital, reserves and non-controlling interests</b> |      |                      |                      |                      |                      |
| Share capital                                          | 14   | 21,297               | 21,297               | 21,297               | 21,297               |
| Treasury shares                                        | 14   | (165)                | (165)                | (165)                | (165)                |
| Translation reserves                                   |      | (202)                | (141)                | -                    | -                    |
| Merger reserves                                        |      | (6,755)              | (6,755)              | -                    | -                    |
| Capital reserves                                       |      | 521                  | 521                  | -                    | -                    |
| Retained earnings                                      |      | 16,412               | 13,062               | 603                  | 619                  |
| Equity attributable to owners of the Company           |      | 31,108               | 27,819               | 21,735               | 21,751               |
| Non-controlling interests                              |      | 19                   | 216                  | -                    | -                    |
| Total equity                                           |      | 31,127               | 28,035               | 21,735               | 21,751               |
| <b>Total liabilities and equity</b>                    |      | 94,958               | 53,591               | 21,964               | 21,952               |

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

| Group                                                           | Share capital | Treasury shares | Merger reserves | Capital reserves | Translation 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       |
| Balance as at 1 April 2021                                      | 21,297        | -               | (6,755)         | 521              | (50)                 | 11,475            | 26,488                                       | 295                       | 26,783        |
| <b>Total comprehensive income for the year</b>                  |               |                 |                 |                  |                      |                   |                                              |                           |               |
| Profit for the year                                             | -             | -               | -               | -                | -                    | 1,774             | 1,774                                        | (20)                      | 1,754         |
| Other comprehensive loss for the year                           | -             | -               | -               | -                | (91)                 | -                 | (91)                                         | (59)                      | (150)         |
| <b>Total</b>                                                    | <b>-</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>         | <b>(91)</b>          | <b>1,774</b>      | <b>1,683</b>                                 | <b>(79)</b>               | <b>1,604</b>  |
| <b>Transactions with owners, recognised directly in equity:</b> |               |                 |                 |                  |                      |                   |                                              |                           |               |
| Repurchase of shares                                            | -             | (165)           | -               | -                | -                    | -                 | (165)                                        | -                         | (165)         |
| Dividends paid to owners of the Company                         | -             | -               | -               | -                | -                    | (187)             | (187)                                        | -                         | (187)         |
| <b>Balance as at 31 March 2022</b>                              | <b>21,297</b> | <b>(165)</b>    | <b>(6,755)</b>  | <b>521</b>       | <b>(141)</b>         | <b>13,062</b>     | <b>27,819</b>                                | <b>216</b>                | <b>28,035</b> |

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| Group                                                           | Share capital | Treasury shares | Merger reserves | Capital reserves | Translation 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       |
| Balance as at 1 April 2022                                      | 21,297        | (165)           | (6,755)         | 521              | (141)                | 13,062            | 27,819                                       | 216                       | 28,035        |
| <b>Total comprehensive income for the year</b>                  |               |                 |                 |                  |                      |                   |                                              |                           |               |
| Profit for the year                                             | -             | -               | -               | -                | -                    | 4,349             | 4,349                                        | (173)                     | 4,176         |
| Other comprehensive loss for the year                           | -             | -               | -               | -                | (61)                 | -                 | (61)                                         | (24)                      | (85)          |
| <b>Total</b>                                                    | -             | -               | -               | -                | (61)                 | 4,349             | 4,288                                        | (197)                     | 4,091         |
| <b>Transactions with owners, recognised directly in equity:</b> |               |                 |                 |                  |                      |                   |                                              |                           |               |
| Dividends paid to owners of the Company                         | -             | -               | -               | -                | -                    | (999)             | (999)                                        | -                         | (999)         |
| <b>Balance as at 31 March 2023</b>                              | <b>21,297</b> | <b>(165)</b>    | <b>(6,755)</b>  | <b>521</b>       | <b>(202)</b>         | <b>16,412</b>     | <b>31,108</b>                                | <b>19</b>                 | <b>31,127</b> |

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| <b>Company</b>                                                  | <b>Share capital</b> | <b>Treasury shares</b> | <b>Retained earnings</b> | <b>Total</b>   |
|-----------------------------------------------------------------|----------------------|------------------------|--------------------------|----------------|
|                                                                 | <b>S\$'000</b>       | <b>S\$'000</b>         | <b>S\$'000</b>           | <b>S\$'000</b> |
| <b>Balance as at 1 April 2021</b>                               | <b>21,297</b>        | <b>-</b>               | <b>794</b>               | <b>22,091</b>  |
| <b>Total comprehensive income for the year:</b>                 |                      |                        |                          |                |
| Profit for the year                                             | -                    | -                      | 12                       | 12             |
| <b>Transactions with owners, recognised directly in equity:</b> |                      |                        |                          |                |
| Repurchase of shares                                            | -                    | (165)                  | -                        | (165)          |
| Dividends paid to owners of the Company                         | -                    | -                      | (187)                    | (187)          |
| <b>Balance as at 31 March 2022</b>                              | <b>21,297</b>        | <b>(165)</b>           | <b>619</b>               | <b>21,751</b>  |
| <b>Balance as at 1 April 2022</b>                               | <b>21,297</b>        | <b>(165)</b>           | <b>619</b>               | <b>21,751</b>  |
| <b>Total comprehensive income for the year:</b>                 |                      |                        |                          |                |
| Profit for the year                                             | -                    | -                      | 983                      | 983            |
| <b>Transaction with owners, recognised directly in equity:</b>  |                      |                        |                          |                |
| Dividends paid to owners of the Company                         | -                    | -                      | (999)                    | (999)          |
| <b>Balance as at 31 March 2023</b>                              | <b>21,297</b>        | <b>(165)</b>           | <b>603</b>               | <b>21,735</b>  |

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**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 MARCH 2023**

|                                                                         | <b>Group</b>                             |                                          |
|-------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
|                                                                         | <b>12 months ended<br/>31 March 2023</b> | <b>12 months ended<br/>31 March 2022</b> |
|                                                                         | <b>S\$'000</b>                           | <b>S\$'000</b>                           |
| <b>Cash flows from operating activities</b>                             |                                          |                                          |
| Profit before tax                                                       | 5,011                                    | 1,997                                    |
| Adjustments for:                                                        |                                          |                                          |
| Depreciation of property, plant and equipment                           | 1,337                                    | 1,126                                    |
| Depreciation of right-of-use assets                                     | 360                                      | 423                                      |
| Gain on disposal of property, plant and equipment & right-of-use assets | -                                        | (5)                                      |
| Finance costs                                                           | 405                                      | 103                                      |
| Interest income                                                         | (74)                                     | (39)                                     |
| Exchange differences                                                    | (66)                                     | (144)                                    |
| <b>Operating cash flows before movements in working capital</b>         | <b>6,973</b>                             | <b>3,461</b>                             |
| Trade and other receivables                                             | (11,116)                                 | 1,477                                    |
| Trade and other payables                                                | 28,965                                   | (2,440)                                  |
| Contract assets                                                         | (22,022)                                 | (11,962)                                 |
| Contract liabilities                                                    | (1,186)                                  | 1,040                                    |
| <b>Cash generated / (used in) from operations</b>                       | <b>1,614</b>                             | <b>(8,424)</b>                           |
| Income tax paid                                                         | (317)                                    | (292)                                    |
| <b>Net cash generated / (used in) from operating activities</b>         | <b>1,297</b>                             | <b>(8,716)</b>                           |
| <b>Cash flows from investing activities</b>                             |                                          |                                          |
| Purchases of property, plant and equipment                              | (1,336)                                  | (680)                                    |
| Proceeds from disposal of property, plant and equipment                 | 153                                      | 22                                       |
| Interest received                                                       | 74                                       | 39                                       |
| <b>Net cash used in from investing activities</b>                       | <b>(1,109)</b>                           | <b>(619)</b>                             |
| <b>Cash flows from financing activities</b>                             |                                          |                                          |
| Dividends paid to owners of the Company                                 | (999)                                    | (187)                                    |
| Proceeds from borrowings                                                | 10,604                                   | 3,000                                    |
| Repayment of borrowings                                                 | (790)                                    | (365)                                    |
| Repayment of lease liabilities                                          | (323)                                    | (388)                                    |
| Purchase of treasury shares                                             | -                                        | (165)                                    |
| Interest paid                                                           | (405)                                    | (103)                                    |
| <b>Net cash generated from financing activities</b>                     | <b>8,087</b>                             | <b>1,792</b>                             |
| <b>Net increase/(decreased) in cash and cash equivalents</b>            | <b>8,275</b>                             | <b>(7,543)</b>                           |
| Cash and cash equivalents at the beginning of the financial year        | 11,527                                   | 19,070                                   |
| <b>Cash and cash equivalents at the end of the financial year</b>       | <b>19,802</b>                            | <b>11,527</b>                            |

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**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 28 Kian Teck Drive, Singapore 628845. 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 2023 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 period ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. 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 (\$’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 SFR(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 amendments to SFRS(I) that are relevant to the Group and the Company were issued but effective for annual periods beginning on or after 1 January 2023.

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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Management anticipates that the adoption of the above amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

**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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements as at and for the financial year ended 31 March 2022.

**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 purposes of resource allocation and assessment of segment performance, the Group's Chief Operating Decision Makers ("CODM") have focused on the business operating units which in turn are segregated based on the type of services supplied. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating Segments*. The CODM comprises the Group's Chief Executive Officer and the Executive Directors.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of the nature of services and processes, type of customers, and if applicable, the nature of the regulatory environment.

For management purposes, the Group is currently organised into two operating segments:

- Engineering, Procurement and Construction ("EPC") - provision of engineering, procurement and construction services relating to water and waste management.
- Operations and Maintenance ("O&M") - provision of operations and maintenance services relating to water and waste management.

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**4.1. Reportable segments**

**Segment revenue and results**

|                                | <b>Group</b>                          |                                       |
|--------------------------------|---------------------------------------|---------------------------------------|
|                                | <b>6 months ended<br/>31 Mar 2023</b> | <b>6 months ended<br/>31 Mar 2022</b> |
|                                | <b>\$'000</b>                         | <b>\$'000</b>                         |
| Revenue - EPC                  | 56,268                                | 29,748                                |
| Revenue - O&M                  | 11,140                                | 6,955                                 |
| Total revenue                  | 67,408                                | 36,703                                |
| Gross profit - EPC             | 6,454                                 | 3,012                                 |
| Gross profit - O&M             | 2,519                                 | 968                                   |
| Total gross profit             | 8,973                                 | 3,980                                 |
| Unallocated corporate expenses | (4,529)                               | (2,224)                               |
| Depreciation                   | (879)                                 | (781)                                 |
| Interest income                | 56                                    | 10                                    |
| Finance costs                  | (312)                                 | (65)                                  |
| Profit before tax              | 3,309                                 | 920                                   |
| Income tax                     | (469)                                 | (33)                                  |
| Profit for the period          | 2,840                                 | 887                                   |

|                                | <b>Group</b>                           |                                        |
|--------------------------------|----------------------------------------|----------------------------------------|
|                                | <b>12 months ended<br/>31 Mar 2023</b> | <b>12 months ended<br/>31 Mar 2022</b> |
|                                | <b>\$'000</b>                          | <b>\$'000</b>                          |
| Revenue - EPC                  | 88,115                                 | 49,484                                 |
| Revenue - O&M                  | 18,313                                 | 15,182                                 |
| Total revenue                  | 106,428                                | 64,666                                 |
| Gross profit - EPC             | 11,354                                 | 4,932                                  |
| Gross profit - O&M             | 2,887                                  | 2,833                                  |
| Total gross profit             | 14,241                                 | 7,765                                  |
| Unallocated corporate expenses | (7,202)                                | (4,155)                                |
| Depreciation                   | (1,697)                                | (1,549)                                |
| Interest income                | 74                                     | 39                                     |
| Finance costs                  | (405)                                  | (103)                                  |
| Profit before tax              | 5,011                                  | 1,997                                  |
| Income tax                     | (835)                                  | (243)                                  |
| Profit for the year            | 4,176                                  | 1,754                                  |

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**Geographical segments**

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

|               | <b>Group</b>                          |                                       |
|---------------|---------------------------------------|---------------------------------------|
|               | <b>Revenue</b>                        |                                       |
|               | <b>6 months ended<br/>31 Mar 2023</b> | <b>6 months ended<br/>31 Mar 2022</b> |
|               | <b>\$'000</b>                         | <b>\$'000</b>                         |
| Singapore     | 67,010                                | 36,152                                |
| Myanmar       | 288                                   | 551                                   |
| Malaysia      | 110                                   | -                                     |
| Total revenue | 67,408                                | 36,703                                |

  

|               | <b>Group</b>                           |                                        |
|---------------|----------------------------------------|----------------------------------------|
|               | <b>Revenue</b>                         |                                        |
|               | <b>12 months ended<br/>31 Mar 2023</b> | <b>12 months ended<br/>31 Mar 2022</b> |
|               | <b>\$'000</b>                          | <b>\$'000</b>                          |
| Singapore     | 105,440                                | 63,247                                 |
| Myanmar       | 878                                    | 1,419                                  |
| Malaysia      | 110                                    | -                                      |
| Total revenue | 106,428                                | 64,666                                 |

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

|                          | <b>Group</b>                 |                              |
|--------------------------|------------------------------|------------------------------|
|                          | <b>Non-current assets</b>    |                              |
|                          | <b>As at<br/>31 Mar 2023</b> | <b>As at<br/>31 Mar 2022</b> |
|                          | <b>\$'000</b>                | <b>\$'000</b>                |
| Singapore                | 9,490                        | 9,503                        |
| Myanmar                  | 114                          | 146                          |
| Malaysia                 | 32                           | 33                           |
| Total non-current assets | 9,636                        | 9,682                        |

**4.2. Disaggregation of revenue**

|               | <b>Group</b>                           |                                        |
|---------------|----------------------------------------|----------------------------------------|
|               | <b>12 months ended<br/>31 Mar 2023</b> | <b>12 months ended<br/>31 Mar 2022</b> |
|               | <b>\$'000</b>                          | <b>\$'000</b>                          |
| Over time:    |                                        |                                        |
| EPC           | 88,115                                 | 49,484                                 |
| O&M           | 18,313                                 | 15,182                                 |
| Total revenue | 106,428                                | 64,666                                 |

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**A breakdown of sales:**

|                                                                                                         | <b>Group</b>                           |                                        |                      |
|---------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------|
|                                                                                                         | <b>12 months ended<br/>31 Mar 2023</b> | <b>12 months ended<br/>31 Mar 2022</b> | <b>%<br/>+ / (-)</b> |
| Sales reported for the first half year                                                                  | 39,020                                 | 27,963                                 | 39.5                 |
| Operating profit after tax before deducting non-controlling interests reported for the first half year  | 1,336                                  | 867                                    | 54.1                 |
| Sales reported for the second half year                                                                 | 67,408                                 | 36,703                                 | 83.7                 |
| Operating profit after tax before deducting non-controlling interests reported for the second half year | 2,840                                  | 887                                    | >100.0               |

**5. Financial instruments**

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

|                              | <b>Group</b>                 |                              | <b>Company</b>               |                              |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                              | <b>As at<br/>31 Mar 2023</b> | <b>As at<br/>31 Mar 2022</b> | <b>As at<br/>31 Mar 2023</b> | <b>As at<br/>31 Mar 2022</b> |
|                              | <b>\$'000</b>                | <b>\$'000</b>                | <b>\$'000</b>                | <b>\$'000</b>                |
| <b>Financial assets</b>      |                              |                              |                              |                              |
| - amortised cost             | 34,896                       | 18,322                       | 184                          | 175                          |
| <b>Financial liabilities</b> |                              |                              |                              |                              |
| - amortised cost             | 56,098                       | 17,319                       | 229                          | 281                          |
| - lease liabilities          | 1,345                        | 1,200                        | -                            | -                            |

**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.

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**6. Profit before taxation**

**6.1 Significant items**

|                                                  | Group<br>6 Months            |                              |         | Group<br>12 Months           |                              |         |
|--------------------------------------------------|------------------------------|------------------------------|---------|------------------------------|------------------------------|---------|
|                                                  | 1 Oct 2022 to<br>31 Mar 2023 | 1 Oct 2021 to<br>31 Mar 2022 | + / (-) | 1 Apr 2022 to<br>31 Mar 2023 | 1 Apr 2021 to<br>31 Mar 2022 | + / (-) |
|                                                  | S\$'000                      | S\$'000                      | %       | S\$'000                      | S\$'000                      | %       |
| <b>Income</b>                                    |                              |                              |         |                              |                              |         |
| Government grant income                          | 73                           | 807                          | (91.0)  | 453                          | 1,947                        | (76.7)  |
| Interest income                                  | 56                           | 10                           | >100.0  | 74                           | 39                           | 89.7    |
| <b>Expenses</b>                                  |                              |                              |         |                              |                              |         |
| Depreciation of property,<br>plant and equipment | (708)                        | (570)                        | 24.2    | (1,337)                      | (1,126)                      | 18.7    |
| Depreciation of right-of-use<br>assets           | (171)                        | (211)                        | (19.0)  | (360)                        | (423)                        | (14.9)  |
| Net gain/ (loss) on foreign<br>exchange          | 11                           | (78)                         | N.M.    | (90)                         | (122)                        | (26.2)  |
| Interest expense                                 | (312)                        | (65)                         | >100.0  | (405)                        | (103)                        | >100.0  |

N.M. – Not Meaningful

**6.2. Related party transactions**

There were no material related party transactions during FY2023 and FY2022.

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**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:

|                                                      | <b>Group</b>                          |                                       |                                        |                                        |
|------------------------------------------------------|---------------------------------------|---------------------------------------|----------------------------------------|----------------------------------------|
|                                                      | <b>6 months ended<br/>31 Mar 2023</b> | <b>6 months ended<br/>31 Mar 2022</b> | <b>12 months ended<br/>31 Mar 2023</b> | <b>12 months ended<br/>31 Mar 2022</b> |
|                                                      | <b>\$'000</b>                         | <b>\$'000</b>                         |                                        |                                        |
| Current tax expense/ (income)                        | 486                                   | (137)                                 | 852                                    | 73                                     |
| Deferred tax                                         | -                                     | 73                                    | -                                      | 73                                     |
| (Over)/Under provision of current tax in prior years | (17)                                  | 97                                    | (17)                                   | 97                                     |
| Income tax expense                                   | 469                                   | 33                                    | 835                                    | 243                                    |

**8. Dividend**

|                                                                        | <b>Group</b>         |                      |
|------------------------------------------------------------------------|----------------------|----------------------|
|                                                                        | <b>Year Ended</b>    |                      |
|                                                                        | <b>31 March 2023</b> | <b>31 March 2022</b> |
|                                                                        | <b>S\$'000</b>       | <b>S\$'000</b>       |
| <b>Dividends paid in respect of the preceding financial year</b>       |                      |                      |
| First and final dividend of 0.375 cents (FY2022: 0.07 cents) per share | 999                  | 187                  |

**9. Net asset value**

Net asset value (for the issuer and the Group) 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:

|                                   | <b>Group</b>                 |                              | <b>Company</b>               |                              |
|-----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                   | <b>As at<br/>31 Mar 2023</b> | <b>As at<br/>31 Mar 2022</b> | <b>As at<br/>31 Mar 2023</b> | <b>As at<br/>31 Mar 2022</b> |
| Net asset value per share (cents) | 11.68                        | 10.44                        | 8.16                         | 8.16                         |
| Net asset value (S\$'000)         | 31,108                       | 27,819                       | 21,735                       | 21,751                       |
| Number of ordinary shares used    | 266,432,113                  | 266,432,113                  | 266,432,113                  | 266,432,113                  |

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**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:

|                                                        | <b>Group</b>                              |                                           | <b>Group</b>                               |                                            |
|--------------------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|
|                                                        | <b>6 months<br/>ended<br/>31 Mar 2023</b> | <b>6 months<br/>ended<br/>31 Mar 2022</b> | <b>12 months<br/>ended<br/>31 Mar 2023</b> | <b>12 months<br/>ended<br/>31 Mar 2022</b> |
| Profit attributable to owners of the Company (S\$'000) | 2,866                                     | 846                                       | 4,349                                      | 1,774                                      |
| Weighted average number of ordinary shares             | 266,432,113                               | 266,432,113                               | 266,432,113                                | 267,646,490                                |
| Earnings per share (basic and diluted) (cents)         | 1.08                                      | 0.32                                      | 1.63                                       | 0.66                                       |

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 2023 and 31 March 2022.

**11. Property, plant and equipment**

During the financial year ended 31 March 2022, the Group acquired assets amounting to S\$1,336,000 (31 March 2022: S\$680,000) and disposed of assets with net book value amounting to S\$153,000 (31 March 2022: S\$17,000).

**12. Investment in subsidiaries**

|                                 | <b>Company</b>                          |                                         |
|---------------------------------|-----------------------------------------|-----------------------------------------|
|                                 | <b>As at<br/>31 Mar 2023<br/>\$'000</b> | <b>As at<br/>31 Mar 2022<br/>\$'000</b> |
| Unquoted equity shares, at cost | 21,755                                  | 21,755                                  |

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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 31 Mar 2023<br>%                 | As at 31 Mar 2022<br>% |
| Sanli M&E Engineering Pte. Ltd.        | Engineering, procurement and construction solutions and services in the field of water and waste management. | Singapore                              | 100                                    | 100                    |
| 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                              | 100                                    | 100                    |
| Sanli Environmental (Myanmar) Co. Ltd. | Engineering, procurement and construction solutions and services in the field of water and waste management. | Myanmar                                | 60                                     | 60                     |
| Link Control Co. Ltd.                  | Business support and administrative activities.                                                              | Myanmar                                | 21                                     | 21                     |
| Enviro Plant & Engineering Pte. Ltd.   | General contractors and environmental engineering design and consultancy services                            | Singapore                              | 100                                    | -*                     |
| Mag Chemical Pte. Ltd.                 | Manufacture of water treatment, waste treatment and oilfield chemicals                                       | Singapore                              | 100                                    | -**                    |

\* Incorporated on 14 April 2022

\*\* Incorporated on 16 June 2022

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**13. Borrowings**

|                                                    | Group              |                      |                    |                      |
|----------------------------------------------------|--------------------|----------------------|--------------------|----------------------|
|                                                    | As at 31 Mar 2023  |                      | As at 31 Mar 2022  |                      |
|                                                    | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Amount repayable in one year or less, or on demand |                    |                      |                    |                      |
| Borrowings                                         | 228                | 11,186               | 228                | 561                  |
| Lease liabilities                                  | -                  | 288                  | 7                  | 166                  |
| Amount repayable after one year                    |                    |                      |                    |                      |
| Borrowings                                         | 1,083              | 1,719                | 1,311              | 2,302                |
| Lease liabilities                                  | -                  | 1,057                | -                  | 1,027                |
| Total                                              | 1,311              | 14,250               | 1,546              | 4,056                |

**Details of collateral:**

- i. Bank borrowings of S\$1,311,000 (31 March 2022: S\$1,539,000) are secured by a first legal charge over certain right-of-use assets and property, plant and equipment of the Group and corporate guarantee from the Company.

**14. Share capital**

**14.1 Details of any changes in the Company's issued share capital**

|                                        | Group and Company                |                      |                      |                      |
|----------------------------------------|----------------------------------|----------------------|----------------------|----------------------|
|                                        | As at<br>31 Mar 2023             | As at<br>31 Mar 2022 | As at<br>31 Mar 2023 | As at<br>31 Mar 2022 |
|                                        | Number of ordinary shares ('000) |                      | \$'000               | \$'000               |
| Issued and paid up:                    |                                  |                      |                      |                      |
| At beginning and end of financial year | 266,432                          | 266,432              | 21,297               | 21,297               |

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2023 and 31 March 2022.

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

|                                                                      | <b>Group and Company</b>                |                              |                              |                              |
|----------------------------------------------------------------------|-----------------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                      | <b>As at 31 Mar<br/>2023</b>            | <b>As at 31 Mar<br/>2022</b> | <b>As at 31 Mar<br/>2023</b> | <b>As at 31 Mar<br/>2022</b> |
|                                                                      | <b>Number of ordinary shares ('000)</b> |                              | <b>\$'000</b>                | <b>\$'000</b>                |
| Treasury shares                                                      | 2,226                                   | 2,226                        | 165                          | 165                          |
| Percentage of treasury shares against total number of issued shares. | 0.83%                                   | 0.83%                        | -                            | -                            |

**15. Subsequent events**

There are no material subsequent events from the financial year ended 31 March 2023 to the date of this announcement.

**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 2023, 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 2023, 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.**

The Group's latest audited financial statements for the financial year ended 31 March 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

**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:-**

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(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**

**2H2023 vs 2H2022**

Revenue increased by S\$30.7 million or 83.7% from S\$36.7 million in 2H2022 to S\$67.4 million in 2H2023.

The increase was attributed to:

- i. the increase of S\$26.5 million or 89.1% from the Engineering, Procurement and Construction ("EPC") segment from S\$29.8 million to S\$56.3 million, mainly contributed from the major EPC projects.
- ii. the increase of S\$4.2 million or 60.2% from the Operations and Maintenance ("O&M") segment from S\$6.9 million to S\$11.1 million as more O&M contracts were completed during the financial period.

**FY2023 vs FY2022**

Revenue increased by S\$41.7 million or 64.6% from S\$64.7 million in FY2022 to S\$106.4 million in FY2023.

The increase was attributed to:

- i. the increase of S\$38.6 million or 78.1% from the Engineering, Procurement and Construction ("EPC") segment from S\$49.5 million to S\$88.1 million with the reason same as above.
- ii. the increase of S\$3.1 million or 20.6% from the O&M segment from S\$15.2 million to S\$18.3 million as more O&M contracts were completed during the financial year.

**Cost of contract works, gross profit and gross profit margin**

**2H2023 vs 2H2022**

Cost of contract works increased by S\$25.7 million or 78.6% from S\$32.7 million in 2H2022 to S\$58.4 million in 2H2023, due to the following:

- i. increase in the cost of contract works of S\$23.1 million or 86.3% from the EPC segment in tandem with the increase in EPC revenue.
- ii. increase in the cost of contract works of S\$2.6 million or 44.0% from the O&M segment, mainly due to the increase in O&M revenue.

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Gross profit increased by S\$5.0 million or 125.4% from S\$4.0 million in 2H2022 to S\$9.0 million in 2H2023, contributed mainly by higher revenue and higher gross profit margin from both EPC and O&M segments.

Gross profit margin increased from 10.8% in 2H2022 to 13.3% in 2H2023, contributed by both EPC and O&M segments.

**FY2023 vs FY2022**

Cost of contract works increased by S\$35.3 million or 62.0% from S\$56.9 million in FY2022 to S\$92.2 million in FY2023, due to the following:

- i. increase in the cost of contract works of S\$32.2 million or 72.3% from the EPC segment in tandem with the increase in revenue.
- ii. increase in the cost of contract works of S\$3.1 million or 24.9% from the O&M segment which is in line with the increase in revenue.

Gross profit increased by S\$6.5 million or 83.4% from S\$7.8 million in FY2022 to S\$14.3 million in FY2023, due to higher revenue and higher gross profit margin contributed from both EPC and O&M segments.

Gross profit margin increased from 12.0% in FY2022 to 13.4% in FY2023, contributed by both EPC and O&M segments.

**Other income**

**2H2023 vs 2H2022**

Other income decreased by S\$0.7 million or 64.8% from S\$1.0 million in 2H2022 to S\$0.3 million in 2H2023 mainly due to the government grants and incentives under the Jobs Support Scheme for the COVID-19 pandemic received in 2H2023.

**FY2023 vs FY2022**

Other income decreased by S\$1.4 million or 63.4% from S\$2.2 million in FY2022 to S\$0.8 million due to lower government grants and incentives received under the Jobs Support Scheme for the COVID-19 pandemic in FY2023.

**Administration expenses**

**2H2023 vs 2H2022**

Administrative expenses increased by S\$1.5 million or 47.6% from S\$3.3 million in 2H2022 to S\$4.8 million in 2H2023, mainly due to higher staff-related costs such as salaries and bonuses to support our operation.

**FY2023 vs FY2022**

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Administrative expenses increased by S\$1.6 million or 26.9% from S\$6.2 million in FY2022 to S\$7.8 million in FY2023 for the same reason as above.

**Other operating expenses**

**2H2023 vs 2H2022**

Other operating expenses increased by S\$0.2 million or 23.5% from S\$0.7 million in 2H2022 to S\$0.9 million in 2H2023 mainly due to the increase of depreciation of property, plant and equipment for the financial period.

**FY2023 vs FY2022**

Other operating expenses increased by S\$0.1 million or 6.9% from S\$1.7 million in FY2022 to S\$1.8 million in FY2023 for the same reason as above.

**Finance costs**

**2H2023 vs 2H2022**

Finance costs increased 413.8% from S\$65,000 in 2H2022 to S\$0.3 million in 2H2023 mainly due to the increase in short-term bank borrowings to finance the major EPC projects.

**FY2023 vs FY2022**

Finance costs increased by 314.5% from S\$0.1 million in FY2022 to S\$0.4 million in FY2023 for the same reason as above.

**Profit for the period/year**

As a result of the above, the Group's profit after tax for 2H2023 and FY2023 were S\$2.8 million and S\$4.2 million, respectively.

**3.2. Review of the Group's financial position**

**Current assets**

Current assets increased from S\$43.9 million as at 31 March 2022 to S\$85.3 million as at 31 March 2023, mainly due to the increase in contract assets, trade and other receivables, as well as cash and cash equivalents.

Contract assets increased from S\$24.5 million as at 31 March 2022 to S\$46.5 million as at 31 March 2023 mainly due to the significant works performed towards the end of FY2023 and billings were made in the following financial year based on the completion milestones of the ongoing projects.

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Trade and other receivables increased from S\$7.9 million as at 31 March 2022 to S\$19.0 million as at 31 March 2023, in line with the increase in the revenue in 2H2023.

Cash and cash equivalents increased from S\$11.5 million as at 31 March 2022 to S\$19.8 million as at 31 March 2023, due to prompt collection from the customers.

The AR turnover has improved from 49 days in FY2022 to 46 days in FY2023 due to prompt collection from the customers.

**Non-current assets**

Non-current assets decreased slightly from S\$9.7 million as at 31 March 2022 to S\$9.6 million as at 31 March 2023, mainly due to the depreciation charge to the property, plant and equipment, partially offset by the increase in right-of-use assets.

**Current liabilities**

Current liabilities increased from S\$20.9 million as at 31 March 2022 to S\$60.0 million as at 31 March 2023, mainly due to the increase in trade and other payables and bank borrowings.

The increase in trade and other payables is in line with the increase in the cost of contract works. The increase in bank borrowings is mainly due to the short-term banks' financing for the purchases of contract equipment and materials for the major EPC projects.

AP turnover increased from 91 days in FY2022 to 105 days in FY2023.

**Non-current liabilities**

Non-current liabilities decreased from S\$4.7 million as at 31 March 2022 to S\$3.9 million as at 31 March 2023, mainly due to the decrease in the long-term portion of bank borrowings.

**3.3. Review of the Group's cash flows**

**FY2023 vs FY2022**

Net cash generated from operating activities amounted to S\$1.3 million due to operating cash flow before movements in working capital of S\$7.0 million, adjusted for net cash outflow from working capital changes of S\$5.7 million.

Net cash outflow from working capital of S\$5.7 million was due to:

- a) the increase in contract assets of S\$22.0 million due to significant works performed towards the end of FY2023 and billings were made in the following financial year based on the completion milestones of the ongoing projects;
- b) the increase in trade and other receivables of S\$11.1 million, in line with the increase of revenue for 2H2023;
- c) the decrease in contract liabilities of S\$1.2 million due to lesser advanced billings;
- d) payment of income tax of S\$0.3 million; offset by

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- e) the increase of trade and other payables of S\$29.0 million, in line with the increase in cost of contract works.

Net cash used in investing activities of S\$1.1 million in FY2023 was mainly due to the purchase of property, plant and equipment.

Net cash generated from financing activities of S\$8.1 million in FY2023 was mainly due to the increase in bank borrowings, offset by the repayment of bank loans and the payment of dividends.

As a result of the above, there was a net increase of S\$8.3 million in cash and cash equivalents in FY2023.

**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.

**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.**

The Group's revenue increased from S\$64.67 million in the financial year ended 31 March 2022 ("FY2022") to S\$106.43 million in the financial year ended 31 March 2023 ("FY2023"), with its profit for the year increasing approximately 2.4 times from S\$1.75 million to S\$4.18 million, contributed mainly from the EPC segment.

The waning COVID-19 pandemic has resulted in a normalisation of the Group's business activities back to pre-pandemic levels, as its EPC segment enjoys a robust performance in FY2023.

The Group continues to bid for major municipal projects in Singapore that leverage its engineering expertise, track record, operational excellence and strong reputation. The Group's current order book stands at S\$355 million and is expected to be completed by early 2027.

Whilst continuing to tender for larger-scale projects, the Group is also building on its foray into the manufacturing and industrial sectors, as well as exploring opportunities for partnerships, JVs, or M&As. Looking at the longer term, the Group also expects to explore the opportunities to participate in Singapore's S\$100 billion coastal protection plan that was announced in 2019.

However, current geopolitical tensions are still causing a global economic impact and inflationary pressures across the board, which may have an impact on the Group's operation.

Expansion into Manufacturing Business

During FY2023, the Group received shareholders' approval to manufacture magnesium hydroxide slurry ("Manufacturing Business") under its wholly-owned subsidiary Mag Chemical Pte. Ltd., for use in various

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industrial applications such as the environmental protection market.<sup>1</sup> The Group would like to seize opportunities in green technologies that can leverage its existing knowledge and expertise, as part of its diversification efforts to extend its revenue base. The Group has set up and commissioned a magnesium hydroxide slurry manufacturing plant according to schedule and has begun to engage customers to develop its Manufacturing Business.

Expansion into Industrial Sector

During FY2023, the Group has also expanded into the industrial sector to diversify its customer base, under its wholly-owned subsidiary Enviro Plant & Engineering Pte. Ltd. ("EPE"). EPE provides environmental engineering solutions for water and wastewater treatment, air pollution control and solid waste management, to the industrial plant sector in Singapore and Southeast Asia. The Group is pleased to report that EPE has started to make inroads in this space, with an increasing interest among customers.

Update on Sanli Myanmar (defined herein)

Sanli Environmental (Myanmar) Company Limited ("Sanli Myanmar") is a 60% owned subsidiary of the Group, which provides Engineering, Construction and Water & Building Related Services in Myanmar. Although the operating environment of Sanli Myanmar has been stabilised with the easing of domestic and international travel, the political situation in Myanmar overall continues to be a dampener to its growth. For FY2023, Sanli Myanmar contributed approximately 0.8% of the Group's revenue.

Outlook

Despite inflationary pressures, the Group continues to be hopeful that current geopolitical tensions will improve and that the global economy and industries will stabilise. Barring any unforeseen circumstances, the Group remains cautiously optimistic for the financial year ending 31 March 2024.

**6. Dividend information**

**6a. Current financial period reported on**

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

The Directors are pleased to recommend a final dividend of 0.768 Singapore cents per share for FY2023 (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 2023 (the "AGM").

| <b>Name of dividend</b>            | <b>Final</b>          |
|------------------------------------|-----------------------|
| Dividend type                      | Cash                  |
| Dividend amount per ordinary share | 0.768 Singapore cents |
| Tax rate                           | One tier tax exempt   |

The final dividend payout for FY2023 would constitute 50.0% of net profit after tax attributable to owners of the Company in FY2023.

<sup>1</sup> Magnesium hydroxide slurry is used, amongst other things, as neutralising agent for wastewater treatment, as effective sorbent for removal of heavy metal in wastewater treatment and as liquid absorber for flue gas desulphurization (being the removal of unwanted sulphur dioxide from exhaust emissions).

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**6b. Corresponding period of the immediate preceding financial year**

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

| <b>Name of dividend</b>            | <b>Final</b>          |
|------------------------------------|-----------------------|
| Dividend type                      | Cash                  |
| Dividend amount per ordinary share | 0.375 Singapore cents |
| Tax rate                           | One tier tax exempt   |

The final dividend for FY2022 constitutes 56.3% of net profit after tax attributable to owners of the Company in FY2022 and was paid on 31 August 2022.

**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 and the books closure 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.**

NA

**8. Interested person transactions**

The Group does not have a general mandate from shareholders for interested person transactions. There were no interested person transactions of S\$100,000 or more for the full year ended 31 March 2023.

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

The Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period.

**10. 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 Catalyst Rules**

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

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**11. 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 FY2023 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**

Kew Boon Kee  
Chief Executive Officer  
25 May 2023