



**MEMIONTEC HOLDINGS LTD.
AND ITS SUBSIDIARIES
(Registration No. 201305845W)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES

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*This announcement has been prepared by Memiontec Holdings Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by 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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**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

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

	Note	Group		Increase/ (Decrease) %
		1H2024	1H2023	
		S\$'000 (Unaudited)	S\$'000 (Unaudited)	
Revenue	2	30,045	27,716	8.4
Cost of sales		(25,851)	(24,402)	5.9
Gross profit		4,194	3,314	26.6
Other income		352	340	3.5
General and administrative expenses		(2,865)	(2,056)	39.3
Operating profit		1,681	1,598	5.2
Finance costs		(63)	(67)	(6.0)
Share of profit of a joint venture		48	32	50.0
Profit before income tax		1,666	1,563	6.6
Income tax expense	4	(275)	(237)	16.0
Net profit for the period	3	1,391	1,326	4.9
Other comprehensive (loss) / income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange (loss)/gain on translation of foreign operations		(321)	484	N.M
Other comprehensive (loss)/income for the period, net of tax		(321)	484	N.M
Total comprehensive income for the period		1,070	1,810	(40.9)
Net profit for the period attributable to:				
- Owners of the Company		1,389	1,317	5.5
- Non-controlling interests		2	9	(77.8)
		1,391	1,326	(4.9)
Total comprehensive income for the period attributable to:				
- Owners of the Company		1,068	1,797	(40.6)
- Non-controlling interests		2	13	(84.6)
		1,070	1,810	(40.9)
Earnings per share (Singapore cents per share)				
- Basic	(A1)	0.21	0.20	5.0
- Diluted	(A1)	0.21	0.20	5.0

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

A1. EARNINGS PER SHARE (“EPS”)

(a) Basic EPS

Basic EPS is calculated by dividing the net profit attributable to owners of the Company for the respective periods by the weighted average number of ordinary shares outstanding during the respective periods.

	Group	
	1H2024	1H2023
	(Unaudited)	(Unaudited)
Net profit for the period attributable to owners of the Company (S\$'000)	1,389	1,317
Weighted average number of ordinary shares for basic EPS	660,771,000	660,771,000
Basic EPS (Singapore cents per share)	0.21	0.20

(b) Diluted EPS

	Group	
	1H2024	1H2023
	(Unaudited)	(Unaudited)
Net profit for the period attributable to owners of the Company (S\$'000)	1,389	1,317
Weighted average number of ordinary shares for basic EPS	660,771,000	660,771,000
Adjustment for:		
- Share awards under Memiontec Performance Share Plan	-	3,000,000
Weighted average number of ordinary shares for diluted EPS	660,771,000	663,771,000
Diluted EPS (Singapore cents per share)	0.21	0.20

1H2024 denotes six-month financial period from 1 January 2024 to 30 June 2024.

1H2023 denotes six-month financial period from 1 January 2023 to 30 June 2023.

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 30 June 2024**

Note	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000 (Unaudited)	S\$'000 (Audited)	S\$'000 (Unaudited)	S\$'000 (Audited)
ASSETS				
Current assets				
	16,037	13,967	48	160
	7,115	5,857	6,960	7,672
	25,416	27,132	-	-
	2,576	2,565	-	-
	51,144	49,521	7,008	7,832
Non-current assets				
5	3,574	1,217	1	1
5	230	314	-	-
	-	-	6,243	6,243
	3,073	3,103	-	-
8	958	983	-	-
	54	64	-	-
	7,889	5,681	6,244	6,244
Total assets	59,033	55,202	13,252	14,076
LIABILITIES AND EQUITY				
Current liabilities				
	18,596	19,794	965	1,939
	1,804	1,567	-	-
6	127	188	-	-
6	9,296	9,726	-	-
	460	543	3	12
	30,283	31,818	968	1,951
Non-current liabilities				
6	115	148	-	-
6	5,570	1,182	-	-
	333	392	-	-
	6,018	1,722	-	-

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 30 June 2024

	Note	Group		Company	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		S\$'000 (Unaudited)	S\$'000 (Audited)	S\$'000 (Unaudited)	S\$'000 (Audited)
Capital, reserves and non-controlling interests					
Share capital	7	12,092	12,092	12,092	12,092
Translation reserves		(1,897)	(1,576)	-	-
Other reserves		(914)	(914)	-	-
Retained earnings		13,389	12,000	192	33
Equity attributable to owners of the Company		22,670	21,602	12,284	12,125
Non-controlling interests		62	60	-	-
Total equity		22,732	21,662	12,284	12,125
Total liabilities and equity		59,033	55,202	13,252	14,076
Net asset value per share (Singapore cents per share)	B1	3.43	3.27	1.86	1.83

B1. NET ASSET VALUE PER SHARE

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Equity attributable to owners of the Company (S\$'000)	22,670	21,602	12,284	12,125
Number of ordinary shares in issue	660,771,000	660,771,000	660,771,000	660,771,000
Net asset value per ordinary share (Singapore cents per share)	3.43	3.27	1.86	1.83

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	<u>Share capital</u> S\$'000 (Note 7)	<u>Translation reserve</u> S\$'000	<u>Other reserves</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Equity attributable to owners of the Company</u> S\$'000	<u>Non-controlling interests</u> S\$'000	<u>Total</u> S\$'000
Balance at 1 January 2024 (Audited)	12,092	(1,576)	(914)	12,000	21,602	60	21,662
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	1,389	1,389	2	1,391
Other comprehensive loss for the period	-	(321)	-	-	(321)	-	(321)
Total	12,092	(321)	-	1,389	1,068	2	1,070
Balance at 30 June 2024 (Unaudited)	12,092	(1,897)	(914)	13,389	22,670	62	22,732
Balance at 1 January 2023 (Audited)	12,092	(1,416)	(914)	9,545	19,307	60	19,367
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	1,317	1,317	9	1,326
Other comprehensive income for the period	-	480	-	-	480	4	484
Total	-	480	-	1,317	1,797	13	1,810
Balance at 30 June 2023 (Unaudited)	12,092	(936)	(914)	10,862	21,104	73	21,177

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

<u>Company</u>	Share capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
	(Note 7)		
Balance at 1 January 2024 (Audited)	12,092	34	12,126
Net profit for the period, representing total comprehensive income for the period	-	158	158
Balance at 30 June 2024 (Unaudited)	<u>12,092</u>	<u>192</u>	<u>12,284</u>
Balance at 1 January 2023 (Audited)	12,092	72	12,164
Net profit for the period, representing total comprehensive income for the period	-	746	746
Balance at 30 June 2023 (Unaudited)	<u>12,092</u>	<u>818</u>	<u>12,910</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		1H2024 S\$'000 (Unaudited)	1H2023 S\$'000 (Unaudited)
Operating activities			
Profit before income tax		1,666	1,563
Adjustments for:			
Depreciation of property, plant and equipment	3.1 & 5	69	76
Depreciation of right-of-use assets	3.1 & 5	83	75
Loss on disposal of property, plant and equipment	5	17	-
Share of profit of a joint venture		(48)	(32)
Interest expense		63	67
Interest income		(91)	(44)
Net foreign exchange (gain)/loss (unrealised)		(14)	140
Operating cash flows before movements in working capital		1,745	1,845
Trade and other receivables		(1,258)	2,019
Contract assets		1,717	(5,773)
Inventories		(11)	(713)
Trade and other payables		(1,256)	2,368
Contract liabilities		238	879
Cash generated from operations		1,175	625
Income tax paid		(350)	(317)
Interest received		91	44
Net cash generated from operating activities		916	352
Investing activities			
Purchase of plant and equipment	5	(2,430)	(9)
Addition of right-of-use assets	5	(7)	(38)
Equity injection into other investment		-	(145)
Net cash used in investing activities		(2,437)	(192)
Financing activities			
Interest paid		(63)	(61)
Proceeds from short-term borrowings		10,328	730
Proceeds from long-term borrowings		5,000	-
Repayments of borrowings		(11,370)	(937)
Repayments of lease liabilities		(115)	(82)
Placement of fixed deposits pledged		651	-
Net cash generated from/ (used in) financing activities		4,431	(350)
Net increase/(decrease) in cash and cash equivalents		2,910	(190)
Cash and cash equivalents at beginning of the period		11,764	11,925
Effect of exchange rate changes on the balance of cash held in foreign currencies		(134)	241
Cash and cash equivalents at end of the period (Note A)		14,540	11,976
Note A – Cash and cash equivalents			
Cash and bank balances		16,037	13,347
Less: Time deposits pledged for banking facilities purpose		(1,497)	(1,371)
Cash and cash equivalents per consolidated statement of cash flows		14,540	11,976

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION

1. BASIS OF PREPARATION

The condensed interim consolidated statement of financial position of Memiontec Holdings Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2024 and certain explanatory notes have been prepared in accordance with *SFRS(I) 1-34 Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim consolidated 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 Group’s financial position and the Group’s performance since the last audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

The accounting policies and methods of computation adopted are consistent with those adopted by the Company in the most recently audited consolidated financial statements of the Group for the financial year ended 31 December 2023, which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) and Interpretations of SFRS(I) (“**SFRS(I) INT**”), except for the adoption of new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group’s operations and become effective for annual periods beginning on or after 1 January 2024. The adoption of these new and revised standards and interpretations does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current or prior period.

The condensed interim consolidated financial statements are presented in Singapore Dollar (“**S\$**”) which is the Company’s functional currency. All financial information presented in S\$ have been rounded to the nearest thousand, unless otherwise stated.

The condensed interim consolidated financial statements for the six-month period ended 30 June 2024 have been prepared on a going concern basis, since management has verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

1.1 WHETHER THE FIGURES HAVE BEEN AUDITED OR REVIEWED AND IN ACCORDANCE WITH WHICH AUDITING STANDARD

The condensed interim consolidated financial statements for the six-month period ended 30 June 2024 have not been audited or reviewed by the Company’s auditors.

1.2 AUDIT OPINION ON LATEST FINANCIAL STATEMENTS

The Group’s latest audited consolidated financial statements for the financial year ended 31 December 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company’s auditors on 5 April 2024.

1.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the condensed interim consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 most recently audited consolidated financial statements as at and for the financial year ended 31 December 2023.

The estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, are as follows:

- Revenue recognition of *Total Solutions with Engineering, Procurement and Construction (TSEPC)* contracts;
- Estimated impairment of trade receivables, other receivables and contract assets;
- Impairment of investments in subsidiaries and joint venture;
- Income tax and deferred tax; and
- Valuation of financial asset, at FVOCI.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.4 SUBSEQUENT EVENTS

Subsequent to 30 June 2024, there are no known subsequent events that may have a material effect on the condensed interim consolidated financial statements of the Group.

2. REVENUE

2.1 DISAGGREGATION OF REVENUE

	Group	
	1H2024	1H2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time:		
Revenue from TSEPC projects	28,278	25,855
Revenue from OMS services	1,125	1,466
At a point in time:		
Revenue from SDS	584	292
Revenue from SOW	58	103
Total	<u>30,045</u>	<u>27,716</u>

Explanatory notes:

- *TSEPC denotes Total Solutions with Engineering, Procurement and Construction.*
- *OMS denotes Operations, Maintenance and Services of waste and wastewater treatment plants.*
- *SDS denotes Sales and distribution of water treatment systems and trading.*
- *SOW denotes Sales of water.*

2.2 Seasonality of operations

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

3. NET PROFIT FOR THE PERIOD

3.1. SIGNIFICANT ITEMS

	Group	
	1H2024	1H2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Income:		
Government grant income	24	104
Interest income	91	44
Foreign exchange gain, net	14	141
Expense:		
Depreciation of property, plant and equipment	(69)	(76)
Depreciation of right-of-use assets		
- Under cost of goods sold	(23)	(20)
- Under operating expense	(60)	(55)
Directors' fees	(65)	(71)

4. INCOME TAX EXPENSE

The Group calculates the periodic income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H2024	1H2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current income tax:		
- Current period	(260)	(246)
- Adjustment made in relation to prior year's tax provision	-	97
	(260)	(149)
Withholding tax expense on foreign-sourced interest income	(15)	(88)
Income tax expense for the period	(275)	(237)

5. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Movements	Group	
	Property, plant and equipment	Right-of-use assets
	S\$'000	S\$'000
Net book value as at 1 January 2024 (Audited)	1,217	314
Additions ⁽¹⁾		
- Cash	2,430	-
- Non-cash (lease arrangement)	39	-
Depreciation	(69)	(83)
Disposals ⁽²⁾	(17)	-
Exchange differences	(26)	(1)
Net book value as at 30 June 2024 (Unaudited)	3,574	230

Movements	Group	
	Property, plant and equipment	Right-of-use assets
	S\$'000	S\$'000
Net book value as at 1 January 2023 (Audited)	1,357	390
Additions ⁽¹⁾		
- Cash	68	33
- Non-cash (lease arrangement)	-	60
Depreciation	(182)	(169)
Exchange differences	(26)	-
Net book value as at 31 December 2023 (Audited)	1,217	314

(1) During 1H2024, the Group acquired assets amounting to S\$2.43 million (1H2023: S\$9,000). The Group did not acquire any right-of-use assets during 1H2024 (1H2023: S\$95,000).

(2) The Group disposed assets amounting to S\$17,000 during 1H2024 (1H2023: S\$ Nil).

6. BORROWINGS AND LEASE LIABILITIES

	Group	
	30 June 2024	31 December 2023
	S\$'000 (Unaudited)	S\$'000 (Audited)
Lease liabilities		
<u>Amount repayable within one year or on demand</u>		
Secured	73	79
Unsecured	54	109
	<u>127</u>	<u>188</u>
<u>Amount repayable after one year</u>		
Secured	115	148
Lease liabilities	242	336
Borrowings		
<u>Amount repayable within one year or on demand - Secured</u>		
Revolving credit facilities	8,078	8,521
Term loan	1,218	1,205
	<u>9,296</u>	<u>9,726</u>
<u>Amount repayable after one year – Secured</u>		
Term loan	5,570	1,182
Borrowings	14,866	10,908

Details of any collaterals

Lease liabilities of S\$188,000 as at 30 June 2024 (31 December 2023: S\$227,000) are secured by charges over leased motor vehicles included as part of "Right-of-use assets" and personal guarantees from a director of the Company.

Collaterals	Group	
	30 June 2024	31 December 2023
	S\$'000	S\$'000
Charges over leased motor vehicles only	175	203
Charges over leased motor vehicles and personal guarantees from a director of the Company	13	24
Total	188	227

7. SHARE CAPITAL

7.1 Movements in Share Capital

	Group and Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Number of ordinary shares		S\$'000	S\$'000
<i>Issued and paid up:</i>				
At beginning and end of financial period/year	660,771,000	660,771,000	12,092	12,092

The Company has one class of ordinary share which has no par value, carries one vote per share and a right to dividend income when declared by the Company.

On 5 May 2023, the Company granted awards of 3,000,000 ordinary shares in the capital of the Company ("**2023 PSP Shares**") under the Memiontec Performance Share Plan ("**2023 Awards**") to selected Directors, as well as executive officers and other employees of the Group. The 2023 Awards had lapsed on 5 May 2024 and there are no subsequent awards of shares granted.

Other than the 2023 PSP Shares, the Company does not have any other convertibles as at 30 June 2024, 31 December 2023 and 30 June 2023.

7.2 Treasury shares

The Company does not have any treasury shares as at 30 June 2024, 31 December 2023 and 30 June 2023.

7.3 Subsidiary holdings

None of the Group's subsidiaries holds any shares in the Company as at 30 June 2024, 31 December 2023 and 30 June 2023.

8. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following paragraph presents the assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Level 3	Total
	S\$'000	S\$'000
Group		
30 June 2024 (Unaudited)		
Other investment ⁽¹⁾ , held at fair value through other comprehensive income (“FVOCI”)	958	958
31 December 2023 (Audited)		
Other investment ⁽¹⁾ , held at FVOCI	983	983

⁽¹⁾ Other investment pertains to the Group’s investment of 15% stake in PT Tirta Madani (“PPTM”), joint venture company incorporated to carry out Build-Operate-Own-Transfer (“BOOT”) project of a water supply system in Pekan Baru, Indonesia. No additional investment in PPTM during 1H2024 (1H2023: S\$145,000).

9. RELATED AND INTERESTED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

Some of the Group’s transactions and arrangements are with related parties and these transactions are carried out on arm’s length basis.

	Group	
	1H2024	1H2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
<u>A Director</u>		
Interest expense on advances from a director	-	(6)
<u>A Director-controlled company</u>		
Lease payments of warehouse and office	(32)	(33)

9.2 INTERESTED PARTY TRANSACTIONS

The Group does not have a general mandate from shareholders for interested person transactions. There were no interested person transactions for S\$100,000 or more entered into by the Group for 1H2024.

10. REPORTABLE SEGMENTS

The Group's reportable segments are as follows:

- Total Solutions with Engineering, Procurement and Constructions (“**TSEPC**”) - provision of total solutions with engineering, procurement and construction services relating to water and wastewater management.
- Operations, Maintenance and Services of waste and wastewater treatment plants (“**OMS**”) - provision of operations, preventative and corrective maintenance services relating to water and wastewater management.
- Sale and distribution of water treatment systems and trading (“**SDS**”) - Sale and distribution of water treatment systems and trading.
- Sale of water (“**SOW**”) - Sale of water and other related recurring revenues under long term service concessionary arrangements.

Segment revenue represents revenue generated from external customers. Segment results represent the profit earned from each segment after allocating costs directly attributable to a segment and other common costs that can be allocated on a reasonable basis. This is the measure reported to the chief executive officer for the purpose of resource allocation and assessment of segment performance.

Assets and liabilities are not allocated by segment as they are not considered critical by the chief executive officer in resource allocation and assessment of segment performance.

(a) Segment revenue and results

	Group	
	1H2024	1H2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Segment revenue		
Revenue – TSEPC	28,278	25,855
Revenue - OMS	1,125	1,466
Revenue - SDS	584	292
Revenue - SOW	58	103
Total	<u>30,045</u>	<u>27,716</u>
Segment results		
Profit from operations:		
- TSEPC	1,790	1,733
- OMS	260	395
- SDS	353	118
- SOW	4	10
Total	<u>2,407</u>	<u>2,256</u>
Unallocated corporate income and costs:		
Other income	352	340
General and administrative expenses	(1,078)	(998)
Share of profit of a joint venture	48	32
Finance costs	(63)	(67)
Profit before income tax	<u>1,666</u>	<u>1,563</u>
Income tax expense	(275)	(237)
Profit for the period	<u>1,391</u>	<u>1,326</u>

(b) **Geographical segments**

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

	Revenue	
	1H2024	1H2023
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Singapore	22,926	18,885
Indonesia	7,119	8,820
China	-	11
Total	30,045	27,716

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

	Non-current assets	
	30 June 2024	31 December 2023
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Singapore	421	538
Indonesia	7,407	5,068
China	8	11
Total	7,836	5,617

11. Financial Performance Analysis

11.1 Review of the Group's Financial Performance

1H2024 vs 1H2023

11.1.1 Revenue and gross profit

	Group		Increase/ (Decrease) %
	1H2024	1H2023	
	S\$'000	S\$'000	
	(Unaudited)	(Unaudited)	
Revenue from:			
- TSEPC	28,278	25,855	9.4
- OMS	1,125	1,466	(23.3)
- SDS	584	292	100.0
- SOW	58	103	(43.7)
Total	30,045	27,716	8.4
Cost of sales	(25,851)	(24,402)	5.9
Gross Profit	4,194	3,314	26.6
Gross Profit Margin	14.0%	12.0%	2.0

Revenue

Revenue for 1H2024 was higher than 1H2023 mainly due to higher contributions from the TSEPC and SDS business segments in the period under review, partially offset by the decrease in revenue contributed by the OMS and SOW business segments.

(a) TSEPC Business Segment

	Group				Increase/ (Decrease) %
	1H2024 S\$'000 (Unaudited)	%	1H2023 S\$'000 (Unaudited)	%	
Revenue from:					
- Singapore	21,976	77.7	17,927	69.3	22.6
- Indonesia	6,302	22.3	7,928	30.7	(20.5)
	<u>28,278</u>	<u>100.0</u>	<u>25,855</u>	<u>100.0</u>	<u>9.4</u>

Revenue for TSEPC business segment for 1H2024 was S\$2.4 million (9.4%) higher than 1H2023 due to the higher revenue contribution from Singapore's TSEPC operations.

In Singapore, TSEPC revenue for 1H2024 was S\$22.0 million (1H2023: S\$17.9 million), accounting for 77.7% of the Group's total TSEPC revenue in 1H2024. This was due to a higher volume of work carried out in 1H2024 under the on-going contracts such as the Changi Water Reclamation Plant Phase 2 Contract ("C22C") and Odour Control and Air Jumper Facilities ("OCF").

The Group's TSEPC revenue from Indonesia decreased slightly to S\$6.3 million, accounting for 22.3% of the Group's total TSEPC revenue in 1H2024 (1H2023: S\$7.9 million) due to the successful completion of major projects in Indonesia during 1H2023.

(b) OMS Business Segment

Revenue from the OMS business segment decreased to S\$1.1 million in 1H2024 as compared to S\$1.5 million in 1H2023, mainly due to the lesser OMS contracts in 1H2024, as compared to the previous corresponding period under review.

(c) SDS Business Segment

SDS revenue for 1H2024 increased by S\$0.3 million (100.0%) due to higher sales volume during the period under review.

(d) SOW Business Segment

The Group's jointly operated water treatment plant in Indonesia sold a lower volume of treated water in 1H2024, resulting in the decrease in revenue by approximately S\$0.05 million (43.7%) for the SOW business segment, as compared to the previous corresponding period under review.

Gross Profit and Gross Profit Margin ("GPM")

The Group reported an increase in gross profit for 1H2024, mainly due to higher margins from the projects in Indonesia in 1H2024 as compared to 1H2023.

Correspondingly, the Group's GPM increased from 12.0% in 1H2023 to 14.0% in 1H2024.

11.1.2 Other income

	Group		Increase/ (Decrease) %
	1H2024	1H2023	
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	
Government grant income	24	104	(76.9)
Interest income	90	44	>100.0
Foreign exchange gain, net	14	141	(90.1)
Sundry income	224	51	>100.0
Total	352	340	3.5

In 1H2024, the Group received lower amounts of government grants as compared to 1H2023, mainly due to absence of grants for new markets penetration overseas in 1H2024.

In 1H2024, the Group recorded higher interest income generated from fixed deposits placement as compared to 1H2023.

In 1H2024, the Group recorded lesser net foreign exchange gain, mainly due to depreciation of Indonesian Rupiah against Singapore Dollar, as compared to a net foreign exchange gain of S\$0.1 million in 1H2023.

In 1H2024, the Group recognised S\$0.2 million (1H2023: S\$51,000) under sundry income for recovery of inventory and fixed assets from the completed projects.

11.1.3 General and administrative expenses

	Group		Increase/ (Decrease) %
	1H2024	1H2023	
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	
Payroll costs	(1,089)	(888)	22.6
Directors' remuneration	(343)	(238)	44.1
Directors' fees	(65)	(71)	(8.5)
Consultancy and professional fees	(263)	(238)	10.5
Rental expense	(231)	(129)	79.1
Depreciation expense	(152)	(131)	16.0
Others	(722)	(361)	100.0
Total	(2,865)	(2,056)	39.3

Payroll costs increased mainly due to the increase in headcount in 1H2024, as compared to 1H2023.

Increase in directors' remuneration in 1H2024 was mainly due to reversal of over-provision of directors' bonuses for FY2022 in 1H2023, which was absent in 1H2024.

Rental expense incurred by the Group was higher in 1H2024 due to more units of dormitory rooms rented by the Group as a result of increase in headcount and higher rental rates for lease renewal.

Other costs increased mainly due to increase in overhead and general expenses in 1H2024 as compared to 1H2023.

Other than the above, there were no significant changes in general and administrative expenses incurred in 1H2024, as compared to 1H2023.

11.1.4 Finance Costs

Finance costs remained relatively stable in 1H2024 and 1H2023.

11.1.5 Share of profit of a joint venture

Share of profit of a joint venture relates to the Group's 40% interest in its joint venture company, PT Jakpro Memiontec Air.

The joint venture has a BOOT water treatment plant at Hutan Kota, Jakarta. The Hutan Kota BOOT project has commenced the production and sale of treated water since December 2019. The increase in the share of profit in 1H2024 was due to the higher volume of water produced during the period under review as compared to 1H2023.

11.1.6 Income tax expense

The effective income tax rate for 1H2024 was 19%, as compared to the effective income tax rate of 15% for 1H2023. The increase was mainly due to the higher contribution from Indonesia which has a higher tax rate.

11.1.7 Net profit for the period

As a result of the above, net profit of the Group for 1H2024 was S\$1.4 million (1H2023: S\$1.3 million).

11.2. Review of the Group's financial position

30 June 2024 vs 31 December 2023

11.2.1 Current assets

	Group			Note
	30 June 2024	31 December 2023	Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	
	(Unaudited)	(Audited)		
Cash and bank balances	16,037	13,967	2,070	
Trade and other receivables	7,115	5,857	1,279	(a)
Contract assets	25,416	27,132	(1,716)	(b)
Inventories	2,576	2,565	11	
Total current assets	51,144	49,521	1,623	

- (a) The increase in trade and other receivables was mainly due to more billings for the Group's work performed in Singapore and Indonesia.
- (b) Contract assets primarily relate to the Group's right to consideration for work completed and not billed. As disclosed above, the slight decrease was mainly due to the billings issued upon the completion of the work.

11.2.2 Non-current assets

	Group			Note
	30 June 2024	31 December 2023	Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	
	(Unaudited)	(Audited)		
Property, plant and equipment	3,574	1,217	2,357	(a)
Right-of-use assets	230	314	(84)	
Investment in joint venture	3,073	3,103	(30)	
Other investment	958	983	(25)	
Deferred tax assets	54	64	(10)	
	<u>7,889</u>	<u>5,681</u>	<u>2,218</u>	

- (a) The increase in property, plant and equipment was mainly due to recognition of costs under construction-in-progress for a new BOOT project in Indonesia.

11.2.3 Current liabilities

	Group			Note
	30 June 2024	31 December 2023	Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	
	(Unaudited)	(Audited)		
Trade and other payables	18,596	19,794	(1,198)	(a)
Contract liabilities	1,804	1,567	237	(b)
Bank borrowings	9,296	9,726	(430)	
Others	587	731	(144)	
Total current liabilities	<u>30,283</u>	<u>31,818</u>	<u>(1,535)</u>	

- (a) The decrease in trade and other payables during 1H2024 was mainly due to more repayments made to suppliers and subcontractors as a result of prompt settlement of invoices.
- (b) The increase in contract liabilities was mainly due to downpayments received from customers for the new projects clinched in Indonesia in 1H2024.

11.2.4 Non-current liabilities

The increase was mainly due to additional bank loan received during 1H2024.

Debt to Equity (D/E) ratio as at 30 June 2024 was 0.66 times (31 December 2023: 0.52 times).

11.2.5 Working Capital

The Group recorded a positive working capital position of S\$20.9 million as at 30 June 2024 (S\$17.7 million as at 31 December 2023).

11.3. Review of the Group's cash flows

11.3.1 Operating activities

Net cash generated from operating activities amounted to S\$0.9 million in 1H2024 (1H2023: S\$0.4 million), mainly due to decrease in contract assets, which relate to the Group's right to consideration upon completion of work.

11.3.2 Investing activities

Net cash used in investing activities amounted to S\$2.4 million in 1H2024 (1H2023: S\$0.2 million), mainly due to addition of construction-in-progress for a new BOOT project in Indonesia.

11.3.3 Financing activities

Net cash generated from financing activities amounted to S\$4.4 million in 1H2024 (1H2023: net cash used in financing activities amounted to S\$0.4 million) was mainly due to drawdown of borrowings of S\$15.3 million in 1H2024 (1H2023: S\$0.7 million), partially offset by the repayment of external borrowings amounting to S\$11.4 million in 1H2024 (1H2023: S\$1.0 million).

12. 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 for the period under review was previously made to shareholders.

13. 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

As at 30 June 2024, the Group has an order book of approximately S\$44.8 million. Most of these projects are expected to be substantially completed within the next 2 years. The Group anticipates a speed up in project execution for certain key projects in the next 12 months.

In Singapore, it is anticipated that tenders of larger scale public tenders relating to membrane processes and Mechanical, Electrical, Instrument, Control and Automation works for water reclamation plants and other water works will be undertaken by PUB. The Group will participate in such tender exercises as appropriate and viable.

Indonesia remains an important market for the Group given the emphasis and development of its water treatment capacity. The Group is actively involved in evaluating build, own, operate and transfer (BOOT), build, own and operate (BOO), and Total Solutions Engineering Procurement Construction (TSEPC) projects and remains competitive, with the Group's core competencies, in securing favourable projects.

Through Memiontec Company Limited (the Company's wholly-owned subsidiary in Vietnam), the Group continues to actively participate in bids for water projects in Vietnam.

The current high interest rate environment and currency volatility may have an impact on the funding and implementation of water infrastructure projects. The Group will therefore continue to operate with care and prudence due to the uncertain macroeconomic and geopolitical factors.

14. Dividend information

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No interim dividend has been declared or recommended for the current financial period under review.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined

Not applicable.

(e) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No interim dividend has been declared or recommended for the current financial period under review as the Board of Directors of the Company deems it appropriate to conserve cash for the Group's business activities and growth. It is the Group's practice to recommend dividend payment (if any) annually together with its unaudited full-year results.

(f) Dividends

Not applicable.

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

During the period under review, the Group had incorporated 2 subsidiaries, namely MIT Investment Pte. Ltd. on 5 January 2024 and PT. MIT Investment Indonesia on 7 March 2024. For more information, please refer to the Company's announcements dated 8 January 2024 and 13 March 2024 respectively.

Save as disclosed above, the Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period, up to 30 June 2024.

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

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

17. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's condensed interim unaudited consolidated financial statements for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tay Kiat Seng
Executive Director and Chief Executive Officer

12 August 2024