



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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021
(UNAUDITED)**

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

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

	Note	Group		
		Six-month period ended 30 June 2021	Six-month period ended 30 June 2020	Increase/ (Decrease)
		S\$'000 (Unaudited)	S\$'000 (Unaudited)	%
Revenue	4	26,912	14,461	86.1
Cost of sales		(24,213)	(12,643)	91.5
Gross profit		2,699	1,818	48.5
Gross profit margin		10.0%	12.6%	(2.6)
Other income		331	720	(54.0)
General and administrative expenses		(2,286)	(1,893)	20.8
Finance costs		(72)	(61)	18.0
Other operating expenses		(67)	(353)	(81.0)
Share of profit (loss) of a joint venture	14	42	(101)	N.M
Profit before income tax		647	130	>100.0
Income tax expense	7	(166)	(110)	50.9
Net profit for the period	6	481	20	>100.0
Other comprehensive (loss) income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange (losses) gains on translation of foreign operations		(163)	157	N.M
Other comprehensive (loss) income for the period, net of tax		(163)	157	N.M
Total comprehensive income for the period		318	177	79.7
Net profit (loss) for the period attributable to:				
- Owners of the Company		480	21	>100.0
- Non-controlling interests		1	(1)	N.M
		481	20	>100.0
Total comprehensive income for the period attributable to:				
- Owners of the Company		318	176	80.7
- Non-controlling interests		- (1)	1	N.M
		318	177	80.7
Earnings per share				
Basic and diluted (cents)	10	0.22	0.01	>100.0

N.M denotes Not Meaningful.

(1) Less than S\$1,000.

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

**CONDENSED INTERM STATEMENTS OF FINANCIAL POSITION
As at 30 June 2021**

	Note	Group		Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		S\$'000 (Unaudited)	S\$'000 (Audited)	S\$'000 (Unaudited)	S\$'000 (Audited)
ASSETS					
Current assets					
		15,200	14,527	586	3,920
		7,152	4,285	5,618	6,607
		12,891	14,031	-	-
		44	293	-	-
		<u>35,287</u>	<u>33,136</u>	<u>6,204</u>	<u>10,527</u>
Non-current assets					
	11	1,340	1,330	3	3
	12	198	266	-	-
	13	-	-	5,906	5,906
	14	2,515	2,520	-	-
	16	174	177	-	-
		34	35	-	-
		<u>4,261</u>	<u>4,328</u>	<u>5,909</u>	<u>5,909</u>
		<u>39,548</u>	<u>37,464</u>	<u>12,113</u>	<u>16,436</u>
LIABILITIES AND EQUITY					
Current liabilities					
		14,041	13,695	300	4,291
		3,600	993	-	-
	17	114	106	-	-
	17	973	1,077	-	-
		61	123	35	40
		<u>18,789</u>	<u>15,994</u>	<u>335</u>	<u>4,331</u>
Non-current liabilities					
	17	106	152	-	-
	17	3,389	3,960	-	-
	18	230	235	-	-
		1	1	-	-
		<u>3,726</u>	<u>4,348</u>	<u>-</u>	<u>-</u>

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)
As at 30 June 2021

Note	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000 (Unaudited)	S\$'000 (Audited)	S\$'000 (Unaudited)	S\$'000 (Audited)
LIABILITIES AND EQUITY				
Capital, reserves and non-controlling interests				
	12,092	12,092	12,092	12,092
Share capital	19			
Translation reserves	(616)	(454)	-	-
Other reserves	(914)	(914)	-	-
Retained earnings / (Accumulated losses)	6,428	6,355	(314)	13
Equity attributable to owners of the Company	16,990	17,079	11,778	12,105
Non-controlling interests	43	43	-	-
Total equity	17,033	17,122	11,778	12,105
Total liabilities and equity	39,548	37,464	12,113	16,436

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Share capital	Translation reserve	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000 (Note 19)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021 (audited)	12,092	(454)	(914)	6,355	17,079	43	17,122
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	480	480	1	481
Other comprehensive loss for the period	-	(162)	-	-	(162)	(1)	(163)
Total	-	(162)	-	480	318	-	318
<i>Transactions with owners, recognised directly in equity:</i>							
Dividends (Note 8)	-	-	-	(407)	(407)	-	(407)
	-	-	-	(407)	(407)	-	(407)
Balance at 30 June 2021 (Unaudited)	12,092	(616)	(914)	6,428	16,990	43	17,033
Balance at 1 January 2020 (Audited)	3,905	(343)	133	5,298	8,993	43	9,036
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	21	21	(1)	20
Other comprehensive income for the period	-	155	-	-	155	2	157
Total	-	155	-	21	176	1	177
<i>Transactions with owners, recognised directly in equity:</i>							
Issuance of new ordinary shares (Note 19)	8,181	-	(1,047)	-	7,134	-	7,134
Dividends (Note 8)	-	-	-	(253)	(253)	-	(253)
	8,181	-	(1,047)	(253)	6,881	-	6,881
Balance at 30 June 2020 (Unaudited)	12,086	(188)	(914)	5,066	16,050	44	16,094

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

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

<u>Company</u>	Share capital S\$'000 (Note 19)	Other reserves S\$'000	Retained earnings (Accumulated losses) S\$'000	Total S\$'000
Balance at 1 January 2021 (Audited)	12,092	-	13	12,105
Net profit for the period, representing total comprehensive income for the period	-	-	80	80
<i>Transactions with owners, recognised directly in equity:</i>				
- Dividends (Note 8)	-	-	(407)	(407)
Balance at 30 June 2021 (Unaudited)	12,092	-	(314)	11,778
Balance at 1 January 2020 (Audited)	3,905	1,047	(441)	4,511
Net loss for the period, representing total comprehensive loss for the period	-	-	(52)	(52)
<i>Transactions with owners, recognised directly in equity:</i>				
- Issuance of new ordinary shares (Note 19)	8,181	(1,047)	-	7,134
- Dividends (Note 8)	-	-	(253)	(253)
Balance at 30 June 2020 (Unaudited)	12,086	-	(746)	11,340

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Six-month period ended 30 June 2021 S\$'000 (Unaudited)	Six-month period ended 30 June 2020 S\$'000 (Unaudited)
Operating activities		
Profit before income tax	647	130
Adjustments for:		
Depreciation of property, plant and equipment	74	65
Depreciation of right-of-use assets	66	78
Share of (profit) loss of a joint venture	(42)	101
Interest expense	72	61
Interest income	(53)	(28)
Non-cash payment of listing expenses	-	149
Net foreign exchange (gain) loss	(34)	89
Operating cash flows before movements in working capital	730	645
Trade and other receivables	(2,867)	(589)
Contract assets	1,140	(1,254)
Inventories	249	1,012
Trade and other payables	332	(596)
Contract liabilities	2,606	359
Cash generated from (used in) operations	2,190	(423)
Income tax paid	(209)	(310)
Interest income received	53	28
Net cash from (used in) operating activities	2,034	(705)
Investing activities		
Purchase of plant and equipment	(121)	(25)
Net cash used in investing activities	(121)	(25)
Financing activities		
Advances from directors	-	5
Interest paid	(61)	(28)
Dividends paid	(407)	(253)
Repayments of borrowings	(676)	(124)
Repayments of lease liabilities	(38)	(54)
Payment of transaction cost in connection to the issuance of shares	-	(548)
Proceeds from subscription of shares	-	7,534
Net cash (used in) from financing activities	(1,182)	6,532
Net increase in cash and cash equivalents	731	5,802
Cash and cash equivalents at beginning of the period	13,961	4,901
Effect of exchange rate changes on the balance of cash held in foreign currencies	(48)	40
Cash and cash equivalents at end of the period (Note A)	14,644	10,743

Note A – Cash and cash equivalents

	Group	
	Six-month period ended 30 June 2021 S\$'000 (Unaudited)	Six-month period ended 30 June 2020 S\$'000 (Unaudited)
Cash and bank balances	15,200	10,743
Less: Time deposits pledged for banking facilities purpose	(556)	-
Cash and cash equivalents per consolidated statement of cash flows	14,644	10,743

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATION INFORMATION

The Company (Registration No. 201305845W) is incorporated and domiciled in Singapore with its principal place of business and registered office at 20 Woodlands Link, #04-30/31, Singapore 738733. The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 5 March 2020.

The principal activity of the Company is that of investment holding. The principal activities of the Company’s subsidiaries, joint venture and joint operations are disclosed in Notes 13, 14 and 15 respectively to the condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

The condensed interim consolidated financial statements for the six months ended 30 June 2021 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 performance of the Group since the last annual audited consolidated financial statements for the year ended 31 December 2020. The condensed interim consolidated financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed interim consolidated financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2020.

The accounting policies and methods of computation adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the year ended 31 December 2020, 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 2021. The adoption of these new and revised SFRS(I)s and SFRS(I) INT 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 financial statements 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.

The condensed interim consolidated financial statements are presented in Singapore dollars (“**S\$**” or “**SGD**”) which is the Company’s functional currency.

2.1 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 year ended 31 December 2020.

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
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The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included as follows:

- Control over PT Memindo Pratama (“PTMP”)

As disclosed in Note 13 of the condensed interim consolidated financial statements for the six-month financial period ended 30 June 2021, the Group consolidates PTMP as a subsidiary even though the Group has no equity ownership interest in PTMP. In determining control, management assessed whether the Group has the ability to direct the relevant activities of PTMP. Management has determined that the Group has the ability to direct the relevant activities of the entity by appointment of key management personnel of PTMP, has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The basis of consolidation was disclosed in Note 13(e) of the consolidated financial statements for the financial year ended 31 December 2020. As at the end of the current report period, there are no material changes in facts and circumstances that existed in our prior year’s assessment.

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

- Revenue recognition of Total Solutions with Engineering, Procurement and Construction (“TSEPC”) contracts

The Group recognises contract revenue and profit of a construction contract during the course of construction by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period. Progress towards complete satisfaction is measured based on input method.

Estimated construction revenue is determined with reference to the terms of the relevant contracts which requires significant judgement. Contract costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major subcontractors or suppliers involved and the experience of the management. Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised during the course of construction.

Similar to previous financial year ended 31 December 2020, management is satisfied that the estimates are realistic, and the total project costs do not exceed the total project revenue for each individual contract that is ongoing as at the end of the current report period.

- Estimated impairment of trade receivables, other receivables and contract assets

The Group assesses at each reporting date, the allowance required for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to work completed and not billed, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In determining the expected credit loss, the Group considers the past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

- Impairment of investments in subsidiaries and joint venture

The Group follows the guidance in *SFRS(I) 1-36 Impairment of Assets* on determining at least on an annual basis whether the Group's investments in any subsidiary and joint venture is impaired. Management evaluates, among other factors, the market and economic environment in which the subsidiaries and joint venture operate and the financial performance of the subsidiaries and joint venture to determine whether there are indicators of impairment loss and if so, whether the estimated recoverable amount exceeds cost. Recoverable amount is the higher of fair value less costs to sell or value-in-use.

For investments with indicators of impairment, management has estimated the recoverable amount based on the higher of value-in-use and fair value less cost of disposal. The fair value less costs of disposal is determined by reference to the estimated realisable values of the net tangible assets of the subsidiaries and joint venture. The value-in-use calculation requires management to estimate the future cash-flows expected from the cash-generating units based on business plans and financial budgets approved by management and an appropriate discount rate in order to calculate the present value of the future cash flows. The key assumptions for determining the present value of the future cash-flows, which included the discount rate, terminal growth rate and the expected changes to business plans and costs, were disclosed in the consolidated financial statements for the financial year ended 31 December 2020. Management is satisfied that the key assumptions are still realistic and accordingly, no impairment is necessary as at the end of the current report period.

3. SEASONAL OPERATIONS

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

4. SEGMENT AND REVENUE INFORMATION

4.1. 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.
- Sales and distribution of water treatment systems and trading ("**SDS & Trading**") - Sales and distribution of water treatment systems and trading.
- Sales of water ("**SOW**") - Sales 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 operating maker 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 operating decision makers in resource allocation and assessment of segment performance.

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

Segment revenue

	Group	
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020
	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Revenue - TSEPC	24,614	10,208
Revenue - OMS	2,017	3,808
Revenue - SDS & Trading	173	361
Revenue - SOW	108	84
Total	26,912	14,461

Segment results

Profit from operations:		
- TSEPC	931	205
- OMS	211	349
- SDS & Trading	67	129
- SOW	58	34
Total	1,267	717
Other income	331	720
General and administrative expenses	(854)	(792)
Share of profit (loss) of a joint venture	42	(101)
Finance costs	(72)	(61)
Other operating expenses	(67)	(353)
Profit before income tax	647	130
Income tax expense	(166)	(110)
Profit for the period	481	20

Geographical segments

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

	Revenue	
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020
	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Singapore	21,601	11,522
Indonesia	5,272	2,907
China	39	32
Total	26,912	14,461

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

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

	Non-current assets	
	30 June 2021	30 June 2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Singapore	326	418
Indonesia	3,816	3,373
China	85	25
Total	4,227	3,816

4.2. DISAGGREGATION OF REVENUE

	Group	
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time:		
Revenue from TSEPC projects	24,614	10,208
Revenue from OMS services	2,017	3,808
At a point in time:		
Revenue from SDS & Trading	173	361
Revenue from SOW	108	84
Total	26,912	14,461

5. FINANCIAL INSTRUMENTS

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

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial assets				
Fair value through other comprehensive income	174	177	-	-
At amortised cost (including cash and bank balances)	21,050	17,234	4,697	10,469
	21,224	17,411	4,697	10,469
Financial liabilities				
At amortised cost	18,203	18,236	300	4,267
Lease liabilities	220	258	-	-
	18,423	18,494	300	4,267

5.1. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments or they bear interest at rates which approximate the current incremental borrowing rate for similar type of borrowing arrangement.

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
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6. NET PROFIT FOR THE PERIOD

6.1. SIGNIFICANT ITEMS

	Group			
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020	Increase / (Decrease)	
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	%	
Income:				
Grant income	264	577	(54.2)	(1)
Interest income	53	28	89.3	
Expense:				
Depreciation of property, plant and equipment	(74)	(65)	13.8	
Depreciation of right-of-use assets	(66)	(78)	(15.4)	
Directors' fees	(75)	(63)	19.0	(2)
Foreign exchange (loss) gain, net	(64)	106	N.M	(3)
Listing expenses	-	(349)	N.M	(4)

N.M denotes Not Meaningful.

Notes:

- (1) The decrease in grant income was mainly due to the absence in 1H2021 of the listing grant of S\$0.20 million from the SGX-ST and the decrease in government grant income of S\$0.11 million (Singapore government subsidies to defray companies' payroll burden during the COVID-19 pandemic such as Jobs Support Scheme and foreign workers' levy rebates).
- (2) Directors' fees relate to fees paid to the Company's independent directors, with effect from the date of listing of the Company on the Catalist board of the SGX-ST in March 2020.
- (3) Net foreign exchange loss was recorded in 1H2021 due to exchange losses arising from purchases denominated in foreign currencies such as EURO and USD as SGD depreciated against such foreign currencies. Net foreign exchange gain was recorded in 1H2020 due to unrealised translation gain arising from the appreciation of IDR against SGD.
- (4) The decrease in listing expenses was due to the listing related expenses being expensed off in full in 2020 upon listing of the Company on the Catalist board of the SGX-ST in March 2020.

6.2. RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these condensed interim consolidated financial statements.

	Group	
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020
	S\$'000 (Unaudited)	S\$'000 (Unaudited)
<u>A Director</u>		
Interest expense on advances from a director	(10)	(33)
<u>A Director-controlled company</u>		
Rental of warehouse and office	(8)	(13)

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

7. INCOME TAX EXPENSE

The Group calculates the period 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	
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
<u>Current income tax:</u>		
- Current tax	(160)	(110)
- Under provision in prior year	(4)	-
	<u>(164)</u>	<u>(110)</u>
Withholding tax expense on foreign-sourced interest income	(2)	-
Income tax expense for the period	<u>(166)</u>	<u>(110)</u>

8. DIVIDENDS

	Group	
	Six-month period ended 30 June 2021	Six-month period ended 30 June 2020
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
<i>Ordinary dividends paid:</i>		
2020 tax exempt (one-tier) final dividend of 0.185 Singapore cents per share (30 June 2020: 2019 tax exempt (one-tier) final dividend of 0.115 Singapore cents per share)	407	253
	<u>407</u>	<u>253</u>

9. NET ASSET VALUE

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Equity attributable to owners of the Company (S\$'000)	16,990	17,079	11,778	12,105
Number of ordinary shares	220,257,000	220,257,000	220,257,000	220,257,000
Net asset value per ordinary share (Singapore cents per share)	<u>7.71</u>	<u>7.75</u>	<u>5.35</u>	<u>5.50</u>

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
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10. EARNINGS PER SHARE (“EPS”)

The calculation of the EPS attributable to the owners of the Company is based on the following data:

	Group	
	Six-month period ended 30 June 2021 S\$'000 (Unaudited)	Six-month period ended 30 June 2020 S\$'000 (Unaudited)
Profit attributable to owners of the Company	480	21
Weighted average number of ordinary shares for purpose of EPS	220,257,000	210,701,495
EPS – basic and diluted (cents)	0.22	0.01

The diluted earnings per share and basic earnings per share for the respective financial periods are the same as the Group does not have any dilutive instruments.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$121,000 (six months ended 30 June 2020: S\$25,000). There was no disposal of assets during the six months ended 30 June 2021 and 2020.

12. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2020, the Group acquired right-of-use assets amounting to S\$65,000 through lease arrangement. There were no additions to the Group’s right-of-use assets during the six months ended 30 June 2021.

On 28 July 2021, the Group acquired right-of-use asset with a lease term of 3 years for additional office space in Singapore.

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
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13. INVESTMENT IN SUBSIDIARIES

As at 30 June 2021 and 31 December 2020, the details of the Group's subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective equity interests of the Group	
			30 June 2021	31 December 2020
			%	%
Memiontec Pte Ltd	Singapore	Design, engineering, procurement and turnkey construction of water and wastewater treatment and plants; and maintenance and service of water and wastewater treatment equipment, system and plants.	100	100
M Water Resources International Pte. Ltd.	Singapore	Customisation and distribution of modular water and wastewater treatment components, equipment and system.	100	100
Memiontec Industries Pte. Ltd.	Singapore	Building construction; collection, purification and distribution of water (including desalination of water); and investment holding.	100	100
PT Memiontec Indonesia	Indonesia	Design, engineering, procurement, fabrication, assembly and turnkey construction water and wastewater treatment and plants; water management services; and investment holding.	99.4	99.4
PT Memindo Pratama	Indonesia	Design, engineering, procurement, fabrication, assembly and turnkey construction water and wastewater treatment and plants; water management services; and trading of water treatment components and equipment.	98	98
MIT Water Technology Chengdu Co Ltd	China	Trading of water treatment components and equipment.	100	100

14. INVESTMENT IN A JOINT VENTURE

The details of the Group's joint venture are as follows:

Name of joint venture	Country of incorporation/ operation	Principal activities	Equity interest held by the Group	
			30 June 2021	31 December 2020
			%	%
<u>Held by PT Memiontec Indonesia</u>				
PT Jakpro Memiontec Air	Indonesia	Provision of water management service and supply of potable water.	40	40

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15. INTERESTS IN JOINT OPERATIONS

The details of the Group's joint operations are as follows:

Name of joint operation	Country of operation	Principal activities	Participating interest held by the Group	
			30 June 2021	31 December 2020
			%	%
<u>Held by PT Memiontec Indonesia</u>				
KSO JUP-MIT	Indonesia	Provision of water management services and supply of potable water.	40	40
KSO Abipraya-Memiontec ⁽ⁱ⁾	Indonesia	Design, engineering, procurement, fabrication, assembly and turnkey construction water and wastewater treatment and plants.	49	-
KSO PT Memiontec Indonesia – PT Bayu Surya Bakti Konstruksi ⁽ⁱ⁾	Indonesia	Design, engineering, procurement, fabrication, assembly and turnkey construction water and wastewater treatment and plants.	51	-

⁽ⁱ⁾ During the six months ended 30 June 2021, the Group's subsidiary, PT Memiontec Indonesia, has entered into collaboration arrangements with third parties to establish joint operating consortiums to carry out certain TSEPC projects in Indonesia.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	Group	
	30 June 2021	31 December 2020
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Unquoted equity shares, at FVTOCI	174	177

The investment in unquoted equity shares is not held for trading but for medium to long-term strategic purposes. Accordingly, management has elected to designate the investment in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

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The details of the Group's financial assets at FVTOCI are as follows:

Name of investment	Country of incorporation/ operation	Principal activities	Effective equity interests of the Group	
			30 June 2021 %	31 December 2020 %
<u>Held by PT Memiontec Indonesia</u>				
PT PP Tirta Madani	Indonesia	Provision of water management services and supply of potable water.	15	15

A consortium comprising PT PP Infrastruktur, PT Memiontec Indonesia (the Group's subsidiary) and PT Envitech Perkasa incorporated a company, PT PP Tirta Madani in Indonesia on 14 December 2020.

Management considers that the carrying amount of the unquoted equity shares to approximate its fair value as at the end of the reporting period.

<u>Fair value as at</u>		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
30 June 2021 S\$'000	31 December 2020 S\$'000				

FVTOCI:

Investment in unquoted equity shares	174	177	Level 3	Based on the net assets from their management accounts	Net asset values of the unquoted equity share	The estimated fair value would increase/ (decrease) if net assets value of the unquoted equity was higher/ (lower)
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17. BORROWINGS AND LEASE LIABILITIES

	Group	
	30 June 2021 S\$'000 (Unaudited)	31 December 2020 S\$'000 (Audited)
Lease liabilities		
<u>Amount repayable within one year or on demand</u>		
Secured	36	36
Unsecured	78	70
	<u>114</u>	<u>106</u>
<u>Amount repayable after one year</u>		
Secured	106	124
Unsecured	-	28
	<u>106</u>	<u>152</u>
Lease liabilities	<u>220</u>	<u>258</u>

**MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
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	Group	
	30 June 2021	31 December 2020
	S\$'000 (Unaudited)	S\$'000 (Audited)
Terms loans - banks		
<u>Amount repayable within one year or on demand</u>		
Secured	-	-
Unsecured	973	1,077
	<u>973</u>	<u>1,077</u>
<u>Amount repayable after one year</u>		
Secured	-	-
Unsecured	3,389	3,960
	<u>3,389</u>	<u>3,960</u>
Term loans - banks	<u>4,362</u>	<u>5,037</u>

Details of any collaterals

Lease liabilities of S\$138,000 as at 30 June 2021 (31 December 2020: S\$160,000) are secured by charges over leased assets included as part of "Right-of-use assets" on the statement of financial position and/or a personal guarantee from a director of the Company.

18. RETIREMENT BENEFIT OBLIGATIONS

The amount recognised in the statement of financial position in respect of the Group's defined benefit retirement benefit plan is as follows:

	Group	
	30 June 2021	31 December 2020
	S\$'000 (Unaudited)	S\$'000 (Audited)
Present value of defined benefit obligations (unfunded)	230	235

The Group assesses the present value of the defined benefit obligations at the end of annual reporting date. For the financial year ended 31 December 2020, the present value of the defined benefit obligation was carried out by a qualified independent actuary. The methodology and principal assumptions used for the purpose of the actuarial valuations were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

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19. SHARE CAPITAL

	Group and Company			
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	Number of ordinary shares		S\$'000	S\$'000
<i>Issued and paid up:</i>				
At beginning of financial period/year	220,257,000	3,904,562	12,092	3,905
Share sub-division adjustment ^(a)	-	175,705,438	-	-
Issuance of new ordinary shares ^(b)	-	40,647,000	-	8,187
At end of financial period/year	<u>220,257,000</u>	<u>220,257,000</u>	<u>12,092</u>	<u>12,092</u>
Treasury shares	<u>Nil</u>	<u>Nil</u>		

Notes:

^(a) On 18 February 2020, the shareholders of the Company approved the sub-division of the existing issued ordinary shares of 3,904,562 into 179,610,000 ordinary shares in the issued capital of the Company, resulting in a sub-division adjustment of 175,705,438 shares.

^(b) On 19 February 2020, the advance for the subscription of the Company's shares of S\$1,046,822 was converted into 6,502,000 new ordinary shares in the issued capital of the Company.

On 3 March 2020, the Company allotted and issued 33,485,000 new ordinary shares in the capital of the Company for a consideration of S\$7,534,125 (before deducting listing expenses of S\$541,529) as part of its listing exercise on the SGX-ST.

On 3 March 2020, the Company allotted and issued 660,000 new ordinary shares in the capital of the Company for a consideration of S\$148,500 to ZICO Capital Pte. Ltd. ("**ZICO Capital**") as part satisfaction of ZICO Capital's management fee as the Company's Sponsor and Issue Manager in connection with the listing of the Company on the SGX-ST.

The new ordinary shares rank *pari passu* in all respects with the existing issued shares.

On 5 March 2020, 220,257,000 ordinary shares of the Company were admitted to the official list of SGX Catalist.

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.

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at 30 June 2021, 31 December 2020 and 30 June 2020.

19.1 Treasury shares

The Company did not have any treasury shares during and as at the end of the current financial period reported on.

19.2 Subsidiary holdings

The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

20. SUBSEQUENT EVENTS

Subsequent to 30 June 2021, there have been no known events that may have an effect on the condensed interim consolidated financial statements of the Company.

**OTHER INFORMATION PURSUANT TO
APPENDIX 7C OF THE CATALIST RULES**

OTHER INFORMATION

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

The condensed consolidated statement of financial position of Memiontec Holdings Ltd. and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2021 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

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

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2020 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:-

- (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

The Group registered revenue of S\$26.91 million for the six-month period ended 30 June 2021 ("**1H2021**"), an increase of S\$12.45 million, or 86.1%, as compared to revenue of S\$14.46 million for the six-month period ended 30 June 2020 ("**1H2020**"). The increase was mainly contributed by the increase in revenue from the TSEPC and SOW segments by S\$14.41 million and S\$0.02 million respectively, partially offset by the decrease in the OMS and SDS & Trading segments by S\$1.79 million and S\$0.19 million respectively. The Group will keep focusing on efficient operational executions, process optimisation and strengthening our book order, which stands at S\$81.6 million as at 30 June 2021.

The reasons for the variances in the Group's business segments for 1H2021, as compared to 1H2020, were as follows:

- The increase in revenue from the TSEPC segment was due mainly to contribution from higher value contracts.

The decrease in revenue from the OMS segment was due mainly to the completion of some major OMS contracts in the second half of the financial year ended 31 December 2020 ("**FY2020**") and first quarter of the financial year ending 31 December 2021 in Singapore. The decrease was partially offset by higher OMS revenue generated from the long-term OMS service for a water treatment facility in Indonesia.

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- The decrease in revenue from the SDS & Trading segment was due mainly to the absence of revenue from higher value trading contracts in 1H2021.

Cost of sales

Cost of sales increased by S\$11.57 million or 91.5%, to S\$24.21 million for 1H2021 from S\$12.64 million for 1H2020. The increase was largely in line with the increase in revenue as well as other COVID-19 resultant costs such as increase in labour and shipping costs and additional costs (including administrative, logistics, staff costs and other incidental costs) incurred to comply with the COVID-19 regulatory requirements at project sites during 1H2021.

Gross profit and gross profit margin

The Group generated gross profit of S\$2.70 million in 1H2021 (1H2020: S\$1.82 million) but gross profit margin dipped 2.6 percentage points, from 12.6% in 1H2020 to 10.0% in 1H2021. The lower gross profit margin was due mainly to lower gross profit margin contributed from the TSEPC segment arising mainly from the above-mentioned inevitable increase in shipping and labour costs as well as other safety and compliance costs due to the COVID-19 pandemic as well as unfavourable higher foreign exchange costs from purchases denominated in foreign currencies.

Other income

Other income decreased by S\$0.39 million or 54.0% in 1H2021, mainly due to the absence of (i) the listing grant from the SGX-ST of S\$0.20 million; and (ii) prior year's foreign exchange gain of S\$0.11 million, as well as the decrease in government grant income of S\$0.11 million, partially offset by the increase in interest income from fixed deposits of S\$0.03 million due to higher fixed deposit balance.

Grant income comprises mainly of government grants of S\$0.26 million from various government subsidies to defray companies' payroll burden during the COVID-19 pandemic, such as Jobs Support Scheme ("JSS") and foreign workers' levy rebates.

General and administrative expenses

General and administrative expenses increased by S\$0.39 million or 20.8% in 1H2021, mainly due to the increase in (i) directors and staff costs of S\$0.27 million, mainly due to increase in headcount in Singapore and Indonesia; (ii) overhead expenses of S\$0.06 million; (iii) travelling expenses of S\$0.05 million due to more domestic travels for major projects in different areas of Indonesia; and (iv) insurance expenses of S\$0.04 million, partially offset by the decrease in other miscellaneous administrative expenses amounting to S\$0.03 million.

Share of profit (loss) in a joint venture

Share of profit (loss) in a joint venture relates to the Group's 40% interest in its joint venture company, PT Jakpro Memiontec Air, which amounted to a share of profit of S\$0.04 million in 1H2021, as compared to a share of loss of S\$0.10 million in 1H2020. The share of profit in 1H2021 was mainly due to higher revenue generated by the water treatment facility of the Group's Build-Own-Operate-Transfer (BOOT) wastewater and water treatment plant ("WWTP") at Hutan Kota as the WWTP was running at an average of 280 - 300 litres per second ("LPS") in 1H2021, as compared to an average of 200 LPS in 1H2020. The WWTP is expected to increase to designed capacity of 450 LPS once the distribution piping network for additional capacity is completed by the local water authority, who is the eventual off-taker. The completion for the distribution piping network was inadvertently delayed due to the COVID-19 pandemic and, barring unforeseen circumstances, is expected to be operational in the second half of 2021.

Finance costs

Finance costs increased by S\$0.01 million or 18.0% in 1H2021, mainly due to the increase in interest on loans of S\$0.03 million from additional term loans obtained in second half of FY2020, partially offset by the decrease in interest on loans or advances extended by founding directors to the Group of S\$0.02 million due to partial repayments of directors' advances in the second half of FY2020.

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Other operating expenses

Other operating expenses decreased by S\$0.29 million or 81.0% in 1H2021, mainly due to the absence of listing expenses of S\$0.35 million incurred in 1H2020 in connection with the listing of the Company on the Catalist board of the SGX-ST in March 2020, partially offset by a net foreign exchange loss of S\$0.06 million recorded in 1H2021.

Income tax expense

Income tax expense increased by S\$0.06 million or 50.9% in 1H2021, mainly due to higher estimated chargeable income, consistent with higher operating profit recorded during 1H2021.

Profit for the year

As a result of the above, profit for the period after tax increased by S\$0.46 million or 2,305%, from S\$0.02 million in 1H2020 to S\$0.48 million in 1H2021.

3.2. Review of the Group's financial position

Current assets

Current assets increased by S\$2.15 million or 6.5%, from S\$33.14 million as at 31 December 2020 to S\$35.29 million as at 30 June 2021. The increase was due to the increase in trade and other receivables of S\$2.87 million and cash and bank balances of S\$0.67 million, partially offset by the decrease in contract assets of S\$1.14 million and inventories of S\$0.25 million.

Cash and bank balances increased by S\$0.67 million, from S\$14.53 million as at 31 December 2020 to S\$15.20 million as at 30 June 2021. Please refer to Section 3.3 of this announcement titled "Review of Group's Cash Flows" on the reasons for the increase.

Trade and other receivables increased by S\$2.87 million, from S\$4.29 million as at 31 December 2020 to S\$7.16 million as at 30 June 2021. Trade receivables increased by S\$3.19 million, from S\$2.33 million as at 31 December 2020 to S\$5.52 million, mainly due to more progress billings made for the TSEPC projects, which was consistent with the increase in the Group's revenue during 1H2021. On the other hand, other receivables decreased by S\$0.32 million, from S\$1.95 million as at 31 December 2020 to S\$1.63 million as at 30 June 2021, mainly due to the decrease in tax recoverable and grants receivable, partially offset by the increase in advances paid to suppliers.

Contract assets relate to the Group's right to consideration for work completed and not billed as the right to consideration is conditional on the Group's subsequent performance in satisfying performance obligation in respect of the Group's TSEPC projects. The decrease in contract assets of S\$1.14 million, from S\$14.03 million as at 31 December 2020 to S\$12.89 million as at 30 June 2021, was mainly due to more progress billings made for the works carried out for the Group's TSEPC projects in accordance with contractual milestone billing cycles of respective contracts. The Group's contract assets balance was largely related to TSEPC projects with Public Utilities Board of Singapore, which contributed more than 70% to the Group's contract assets as of 30 June 2021 and 31 December 2020.

Inventories decreased by S\$0.25 million, from S\$0.29 million as at 31 December 2020 to S\$0.04 million as at 30 June 2021. Inventories as of 31 December 2020 mainly comprised water treatment equipment and parts which were on transit from the suppliers' premises as of previous financial year end, of which such inventories were subsequently deployed in the Group's projects during 1H2021.

Non-current assets

Non-current assets decreased by S\$0.07 million or 1.5%, from S\$4.33 million as at 31 December 2020 to S\$4.26 million as at 30 June 2021. The decrease was mainly due to the depreciation charges incurred on property, plant and equipment and rights-of-use assets of S\$0.14 million and the increase in exchange rate translation loss of S\$0.05 million, partially offset by additions of property, plant and equipment and rights-of-use assets amounting to S\$0.12 million during 1H2021.

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Current liabilities

Current liabilities increased by S\$2.80 million or 17.5%, from S\$15.99 million as at 31 December 2020 to S\$18.79 million as at 30 June 2021. This was mainly due to the increase in contract liabilities of S\$2.61 million and trade and other payables of S\$0.35 million, partially offset by the decrease in borrowings of S\$0.10 million and income tax payable of S\$0.06 million.

Contract liabilities increased by S\$2.61 million, from S\$0.99 million as at 31 December 2020 to S\$3.60 million as at 30 June 2021, mainly due to the increase in advanced billings to customers, which was consistent with the commencement of additional TSEPC projects during 1H2021.

Trade and other payables increased by S\$0.35 million, from S\$13.69 million as at 31 December 2020 to S\$14.04 million as at 30 June 2021, mainly due to the increase in trade payables of S\$0.45 million attributable to more project purchases, partially offset by repayments to suppliers during 1H2021. The aforesaid increase was partially offset by the decrease in other payables of S\$0.10 million.

Borrowings (current portion) decreased by S\$0.10 million, from S\$1.07 million as at 31 December 2020 to S\$0.97 million as at 30 June 2021, mainly due to repayments of borrowings during 1H2021. As of the end of 1H2021, the Group's borrowings relate wholly to the temporary bridging loan of S\$5.00 million procured under the Enterprise Financing Scheme ("EFS"), which bears an interest rate of 2.00% per annum and repayable over 60 monthly installments from November 2020 ("**EFS Temporary Bridging Loan**").

Income tax payable decreased by S\$0.06 million, from S\$0.12 million as at 31 December 2020 to S\$0.06 million as at 30 June 2021, mainly due to settlement of previous years' tax assessments during 1H2021, partially offset by tax provision for current tax period.

Non-current liabilities

Non-current liabilities decreased by S\$0.62 million or 14.3%, from S\$4.35 million as at 31 December 2020 to S\$3.73 million as at 30 June 2021. The decrease was mainly due to repayments of a portion of the aforementioned EFS Temporary Bridging Loan during 1H2021.

Total equity

Total equity decreased by 0.5% or S\$0.09 million, from S\$17.12 million as at 31 December 2020 to S\$17.03 million as at 30 June 2021. The decrease was due to distribution of dividends of S\$0.41 million and decrease in translation reserve of S\$0.16 million during 1H2021, partially offset by the Group's profit recorded for 1H2021 of S\$0.48 million.

Working Capital Position⁽¹⁾

The Group reported a positive working capital position of S\$16.50 million as at 30 June 2021, as compared to S\$17.14 million as at 31 December 2020.

⁽¹⁾ Working capital is computed based on current assets minus current liabilities.

3.3. Review of the Group's cash flows

Net cash generated in operating activities amounted to S\$2.03 million in 1H2021, comprising operating cash flows before movements in working capital of S\$0.73 million, net working capital inflow of S\$1.46 million, income tax paid of S\$0.21 million and interest income received of S\$0.05 million. The positive operating cash flows in 1H2021 was mainly due to project advance payments received from customers as well as higher progress claims for works performed up to 1H2021 according to contractual billing milestones of respective projects.

Net cash used in investing activities amounted to S\$0.12 million in 1H2021, relating to purchases of plant and equipment, to enhance the fabrication capabilities of the Company's China subsidiary to achieve higher supply chain cost efficiency.

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Net cash used in financing activities amounted to S\$1.18 million in 1H2021, mainly due to repayments of borrowings and lease liabilities (including interests) of S\$0.77 million and distribution of dividends of S\$0.41 million.

Consequently, overall cash and cash equivalents increased by S\$0.73 million, from S\$13.96 million as at 31 December 2021 to S\$14.64 million as at 30 June 2021.

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 anticipates that there will be a number of significant public tenders in Singapore relating to membrane processes and Mechanical, Electrical, Instrument, Control and Automation works for the Tuas Water Reclamation Plant by the Public Utilities Board for various contract packages. These public tenders are highly competitive as Singapore public infrastructure projects are seen to be a stable source of income with low credit risk.

The need for clean water and wastewater treatment in Indonesia continues to be a priority, and the Indonesian government has committed to speed up the development of water supply infrastructure and distribution networks by encouraging private sector investments, including foreign investments, through Public-Private Partnership arrangements⁽¹⁾. The Group will continue to seek opportunities in this area, including through collaborations with reputable local engineering and infrastructure entities with the goal of securing more orders for TSEPC and co-owning additional BOOT/TOOT projects.

As part of our plan to enhance sustainable growth, the Group will also explore opportunities in other regional countries with a demand for water treatment, including through investments, acquisitions and/or collaboration with reputable players in the water treatment industry.

The Group, as an essential service provider for water industries in both Singapore and Indonesia, is permitted to carry out its works subject to adherence with COVID-19 safe management measures imposed. Notwithstanding, the Group remains vigilant towards the COVID-19 situation, especially in Indonesia as it is still very fluid and unpredictable, and our business and operations such as supply chain, order fulfilments and manpower availability may still be disrupted. The Company will continue to monitor matters closely and will provide updates as and when any material developments arise.

⁽¹⁾ <https://www.asiaglobalonline.hku.hk/in-indonesia-water-can-be-a-public-and-private-good>

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6. Dividend information

6a. Current Financial Period Reported on

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

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

6b. Corresponding Period of the Immediate Preceding Financial Year

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

No.

6c. Date Payable

Not applicable.

6d. Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined

Not applicable.

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

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 in view of the COVID-19 pandemic.

8. Interested person 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 for the current financial period under review.

9. 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

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 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.

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11. 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 condensed interim consolidated financial statements for the six-month period ended 30 June 2021 (unaudited) 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

10 August 2021

*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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