

**MEMIONTEC**  
Membrane Ionexchange Technology



# CHARTING NEW WATERS, MAKING WAVES

ANNUAL REPORT 2023



## **VISION**

# **TRANSFORMING WATER, WORLD AND LIFE**

**At Memiontec, we are firm believers that water must be carefully managed at every part of the cycle - from freshwater abstraction, use, collection and post-treatment, to the recycling of treated wastewater and its eventual return to the environment.**



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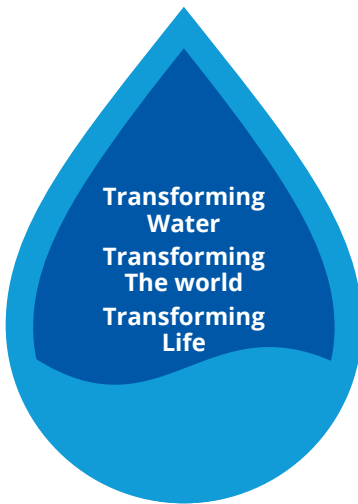
*This annual report has been prepared by Memiontec Holdings Ltd. (the "Company") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Ms Karen Soh, Managing Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone: (65) 6636 4201.*

# ABOUT US

*Memiontec Holdings Ltd. ("Memiontec") is a onestop water technology total solutions provider in water management with a proven track record of over 30 years in the water industry.*

Through the use of membrane, ion exchange, physical, chemical and biological processes and leveraging on our inhouse design, engineering, fabrication and assembly capabilities, Memiontec develops reliable, compact, cost-effective, innovative and space-efficient customised water and wastewater treatment solutions for use in both municipalities and a wide variety of industries, in Singapore, Indonesia, the People's Republic of China, Vietnam and is growing regionally in Asia.

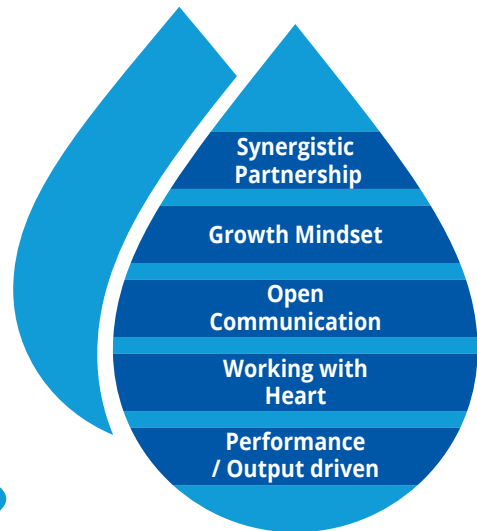
## VISION



## MISSION



## CULTURE



MEMIONTEC HAS 4 CORE BUSINESS SEGMENTS, NAMELY :



*Memiontec was listed on the SGX-ST (TWL.SI) since March 2020. For more information on Memiontec, please visit [www.memiontec.com](http://www.memiontec.com).*

# MEMIONTEC STRATEGY

- Revenue
- Profits
- Dividend

VISION

PILLARS OF GROWTH

COMPANY FOUNDATION

INTANGIBLE ASSETS

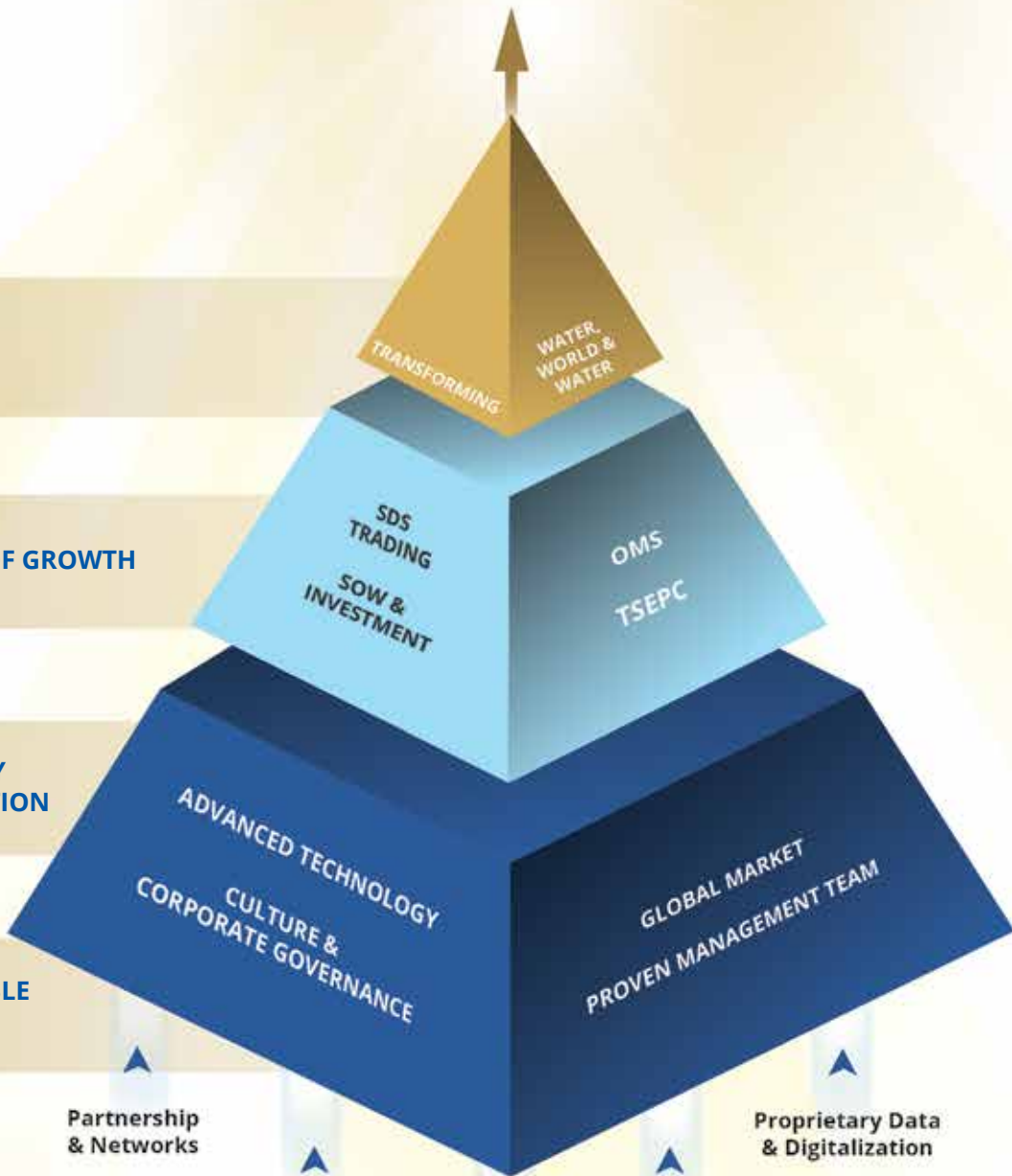
Partnership & Networks

Trade Licenses

Trade Secrets & Technical Know-How

Branding & Reputation

Proprietary Data & Digitalization



**REDUCING COSTS VIA ENHANCED ECONOMIES OF SCALE**

# SYNERGISTIC BUSINESS MODEL

“Continuous shareholders’ value creation with our core competencies and a sustainable business model that includes long-term investment in BOOT & TOOT projects for recurring incomes.”

## HARNESSING OPPORTUNITIES ACROSS THE ENTIRE WATER VALUE CHAIN



**SOW**

**Selling of water as co-owner of BOOT/TOOT projects**

- Generating recurring income from long term service concessionary projects
- Strong partnerships with established and reputable business partners



**TSEPC**

**Providing TSEPC services for a wide variety of municipal and industrial applications TSEPC**

- Water/waste water treatment solutions
- Water recycling solution
- Seawater treatment and desalination solution



**SDS**

**Undertaking sales and distribution activities of systems and equipment**

- Modular water systems
- Water treatment equipment
- Chemicals, components and spare parts
- Customised skid-mounted water treatment facilities
- Containerised desalination plants



**OMS**

**Offering consultation, support and maintenance works in municipal and private sectors**

- Duration of OMS contracts generally ranges from 1 to 3 years
- Long concessionary periods of 20 to 25 years of OMS contracts for the Group’s BOOT/TOOT projects

## OUR STRATEGIC ACTIONS

- The Group is a co-owner in 5 BOOT and TOOT projects in Indonesia
- To grow our recurring income base via more service concession projects in Asia

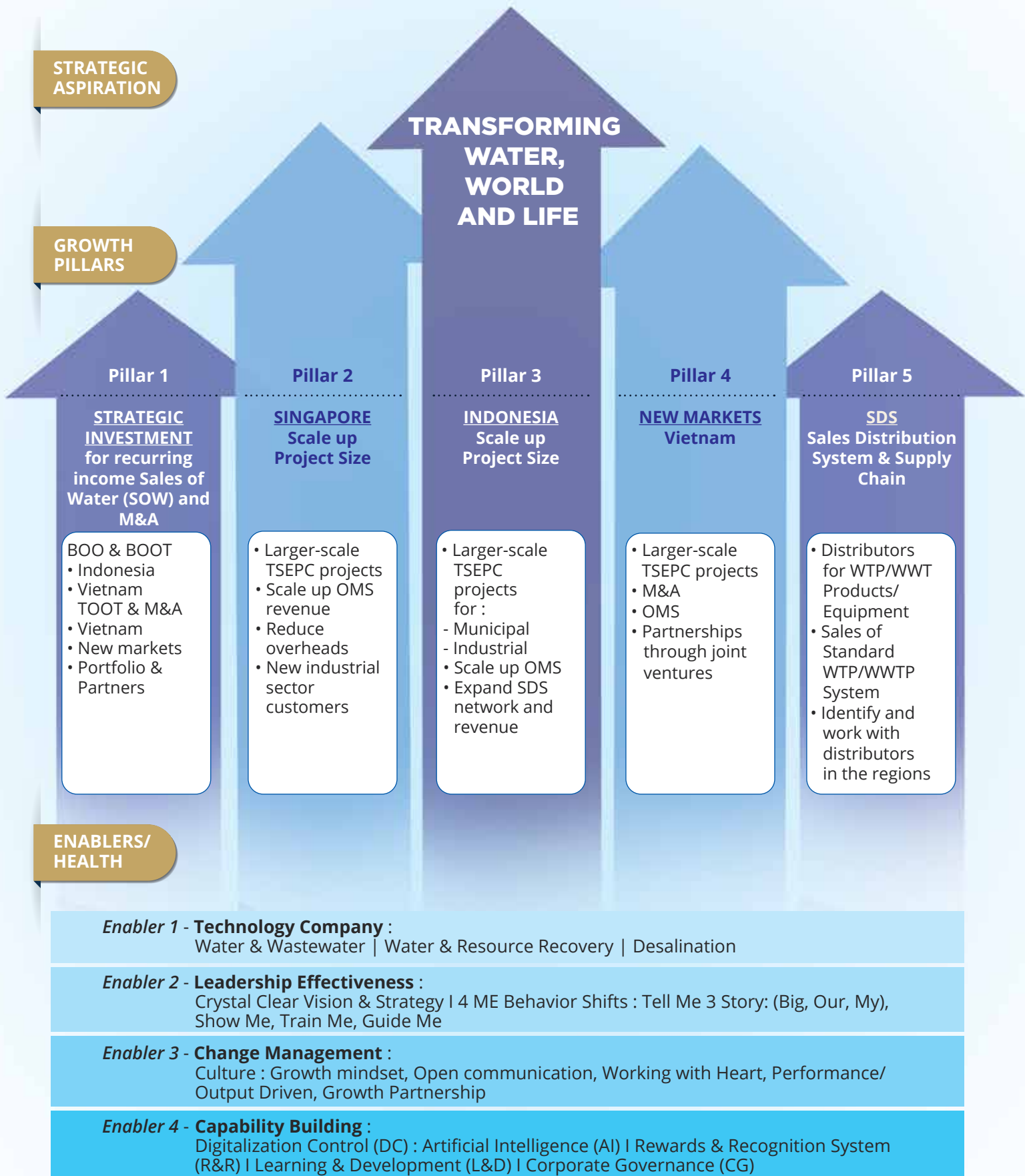
- Market prospects remain strong in key markets with rising water demand
- Customised solutions with our in-house expertise and technological know-how
- Optimising process and cost efficiency
- Scale up project size

- Broadening our sales and distribution channels
- Securing new regional distribution rights to expand product portfolio
- Improving cost efficiency via new collaborations

- Pursuing new OMS contracts and opportunities
- Leveraging on established operating track record in Asia
- Developing more synergies with the Group’s presence in Asia

# MEMIONTEC'S VALUE CREATION BLUEPRINT

## 5 CORE GROWTH PILLARS



# CORPORATE MILESTONE

2016

- Upgraded to ME11 L6 BCA contractor registration (No Tender Limit)
- BCA contractor registrations - ME02, ME05, SY05 & Class 1 General Builder License
- Secured 1st TOOT(2) project with PT JUP(3) Waduk Pluit, Indonesia
- Secured 1st BOOT(4) project through PT JMA(5) at Hutan Kota, Indonesia

2015

- Built award-winning Semakau floating wastewater treatment plant
- Incorporated MIT Water in the PRC

2013

OHSAS 18001:2007 ISO 9001:2015 BizSAFE Star

2010

Upgraded to ME11 L5 BCA contractor registration and commenced active involvement in public sector work

2004

Incorporated subsidiaries in Indonesia - PTMP & PTMI(1)

1999

Expanded sales overseas

1998

ME11 L3 BCA contractor registration

1992

Commenced operations in Singapore

2017

Singapore SME 1000 Ranked Companies

2018

- Awarded project for penguin life support system at Mandai Bird Park
- Singapore SME 1000 Ranked Companies
- Commencement of Sales of water at 1st TOOT project for 25 years

2019

- Commissioned 1st BOOT project
- **Awarded S\$33.2M contract by PUB – Tuas South Desalination Plant (TSDP)**
- Commencement of Sales of water at 1st BOOT project for 20+5 years

2020

- Listed on the SGX Catalist on 5th March 2020
- Awarded TSEPC & OMS Palembang, Makassar and Jambi
- Secured 2nd BOOT project at Pekanbaru and sales of water for 25 years

2021

- Commenced works for 2nd BOOT at Pekanbaru
- Completed Project TSDP
- **Awarded S\$21.7M contract by PUB - Odour DTSS 2 Control and Air Jumper Facilities**

2022

- **Awarded S\$56.6M contract by PUB – CWRP II C22C (Membrane Bioreactor)**
- Commencement of Sales of Water at Pekanbaru
- Incorporated a wholly-owned subsidiary, Memiontec Company Limited in Vietnam

2023

- Secured BOOT project at Nusa Dua, Bali and sales of water for 25 years
- Invested in joint venture with BOOT project at Tanah Merah, Indonesia

(1) PTMP: PT Memindo Pratama; PTMI: PT Memiontec Indonesia

(2) TOOT: Transfer-Own-Operate-Transfer

(3) PT Jakarta Utilitas Propertindo ("PT JUP") is a wholly-owned subsidiary of PT Jakarta Propertindo, an enterprise which is ultimately owned by the state government, Daerah Khusus Ibukota Jakarta

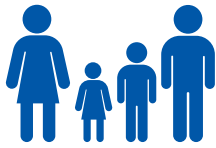
(4) BOOT: Build-Own-Operate-Transfer

(5) PT Jakpro Memiontec Air ("PT JMA") is a joint venture entity. The remaining 60.0% of PT JMA is owned by PT JUP, an independent third party to the Group

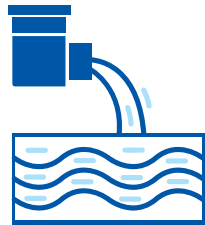


# INDUSTRY PROSPECTS

## ASIA PACIFIC

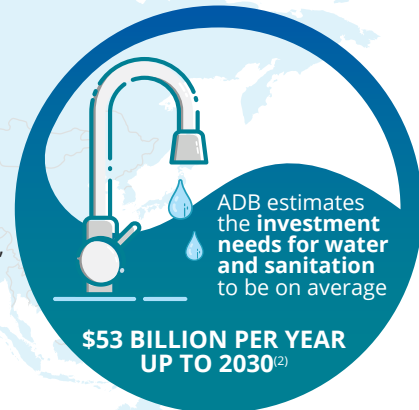


About **300 MILLION PEOPLE** in the region still have no access to safely managed or basic services of drinking water, and **1.2 BILLION** lack adequate sanitation<sup>(1)</sup>



Water quality in Asia has deteriorated significantly, with pollution increasing in

- **50% OF MAJOR RIVERS** during 1990–2010, salinity increasing by more than one-third
- **80% OF WASTE WATER** being discharged into waterways without adequate treatment<sup>(1)</sup>



## SINGAPORE



Water demand to almost double by 2060 from current **430 MILLION gallons per day**<sup>(3)</sup>

**AROUND S\$5 BILLION** in tender packages are expected to be awarded<sup>(4)</sup>:

- **S\$2 BILLION** related to **Tuas Water Reclamation Plant**
- **S\$3 BILLION** related to the **Integrated Waste Management Facility**



## INDONESIA



Nearly **1 in 2** lack access to safe water<sup>(5)</sup>



Water safety is a major public health concern in Indonesia **7 OUT OF 10 households consume drinking water contaminated with E.coli**<sup>(6)</sup>

Indonesia's water resources accounts for 6% OF THE WORLD, **21% OF ASIAPACIFIC, YET 68% OF RIVERS IN INDONESIA ARE HEAVILY POLLUTED, OF THOSE 70% ARE POLLUTED BY DOMESTIC WASTE**<sup>(7)</sup>

National Medium Term Planning (RPJM) 2020-2024 which targeted **100% safe access** of drinking water supply by 2024 which will need a total investment of **US\$17.7 BILLION (IDR 253.8 trillion)**<sup>(7)</sup>

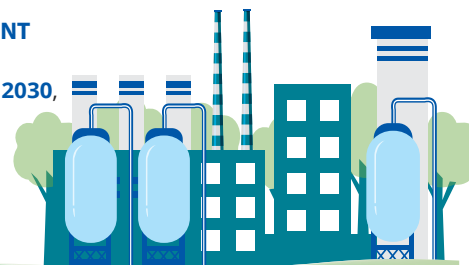


## VIETNAM

Pollution is expected to cost Vietnam **3.5% of its GDP by 2035 according to World Bank**<sup>(8)</sup>

All urban cities in Vietnam will have **CENTRALISED MUNICIPAL WASTEWATER TREATMENT AND COLLECTION SYSTEMS by 2025**

Vietnam's **water demand will increase by 32% by 2030**, requiring around **\$9 billion** worth of infrastructure investment for water treatment and drainage, according to World Bank<sup>(9)</sup>



### Notes:

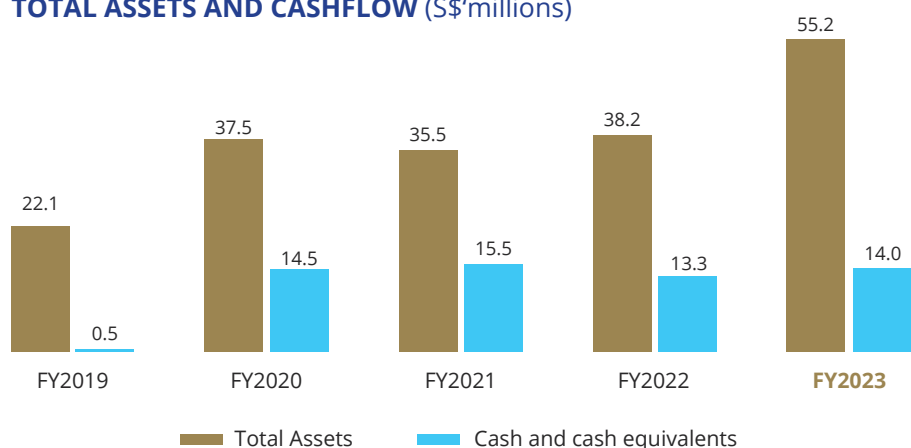
(1) <https://www.adb.org/sites/default/files/publication/663931/awdo-2020.pdf>  
 (2) <https://www.adb.org/news/features/asia-s-water-security-glass-still-half-full>  
 (3) <https://www.pub.gov.sg/watersupply/singaporewaterstory>  
 (4) <https://www.nea.gov.sg/media/news/index/pub-and-nea-to-callover-s5-billion-in-tenders-for-tuas-nexus>  
 (5) <https://www.worldbank.org/en/news/press-release/2018/06/06/sixmillion-indonesians-will-gain-access-to-water-at-home>

(6) <https://www.who.int/indonesia/news/detail/15-11-2021-improving-access-to-safe-drinking-water-in-indonesia>  
 (7) <https://www.waterindonesiaexpo.com/About-Us/About-WATERINDONESIA>  
 (8) [https://www.vietnam-briefing.com/news/vietnam-approves-long-term-strategy-on-environmental-protection-decision-450.html#:~:text=Currently%2C%20Vietnam%20ranks%204th,to%20World%20Bank%20\(WB\)](https://www.vietnam-briefing.com/news/vietnam-approves-long-term-strategy-on-environmental-protection-decision-450.html#:~:text=Currently%2C%20Vietnam%20ranks%204th,to%20World%20Bank%20(WB))  
 (9) <https://e.vnexpress.net/news/environment/vietnam-needs-9b-worth-of-water-infrastructure-investments-world-bank-4727773.html>

# 5 YEAR FINANCIAL HIGHLIGHTS

KEY FINANCIAL INFORMATION (S\$'million)	FY2023	FY2022	FY2021	FY2020	FY2019
<b>GROUP PROFIT OR LOSS:</b>					
Revenue	66,850	42,787	45,645	34,606	29,305
Gross profit	9,285	8,633	6,327	5,119	4,535
Profit before income tax	3,920	3,544	2,086	1,687	567
Profit attributable to owners of the Company	3,235	2,551	1,533	1,308	307
<b>GROUP BALANCE SHEET:</b>					
Cash and bank balances, included in current assets	13,967	13,334	15,451	14,527	4,901
Total current assets	49,521	33,142	30,101	33,136	18,102
Total non-current assets	5,681	5,091	5,375	4,328	3,964
Total current liabilities	31,818	15,890	13,048	15,995	12,381
Total non-current liabilities	1,722	2,976	4,204	4,348	650
Total equity	21,662	19,367	18,224	17,121	9,035
Net current assets	17,703	17,252	17,053	17,141	5,721
Net cash position (cash and bank balances less total borrowings)	2,723	9,073	10,225	9,232	4,060
<b>PER SHARE DATA:#</b>					
Earnings per share (cents)	0.49	0.39	0.70	0.61	0.17
Net asset value per share (cents)	3.27	2.92	8.25	7.75	5.01
<b>FINANCIAL RATIOS:</b>					
Return on equity (%)	15%	13.2%	8.4%	7.7%	3.4%
Gearing ratio (borrowings / total equity)	0.52	0.22	0.29	0.31	0.09
Current ratio (current asset / current liabilities)	1.55	2.09	2.31	2.07	1.46

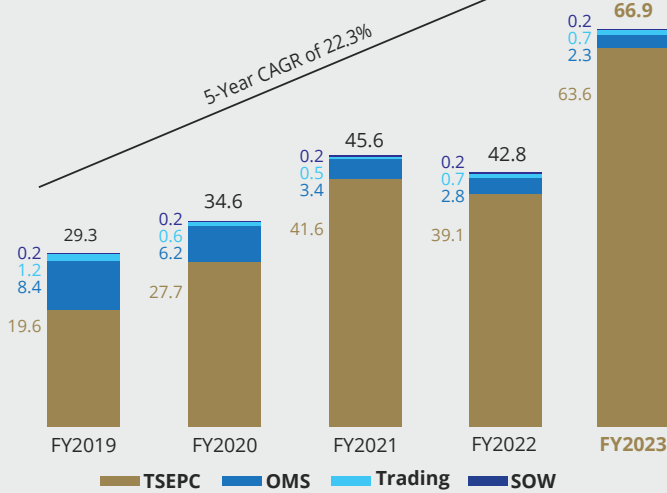
## TOTAL ASSETS AND CASHFLOW (S\$'millions)



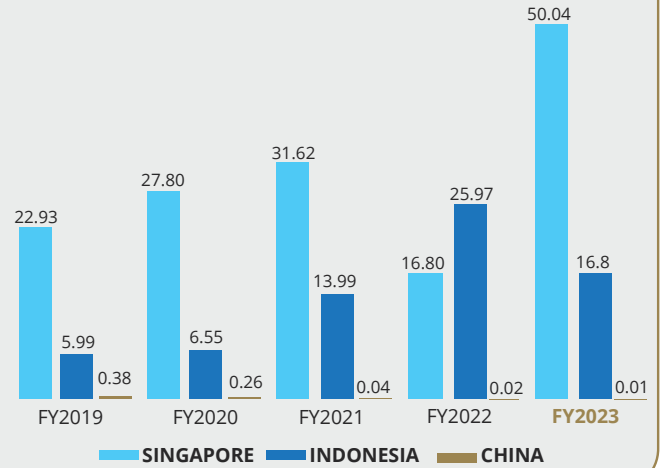
# The number of ordinary shares in issue has been retrospectively adjusted with 3 for 1 share split that was completed in May 2022 to enable a better comparison of the earnings per share and net asset value per share.

# 5 YEAR FINANCIAL HIGHLIGHTS

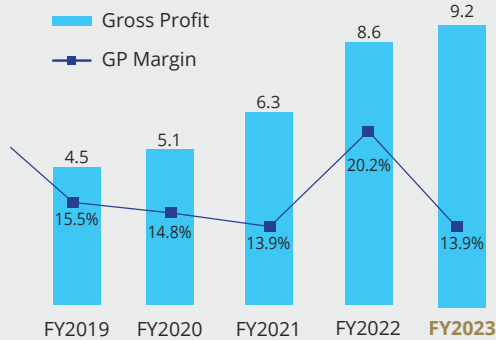
**REVENUE BY BUSINESS SEGMENT**  
(S\$'millions)



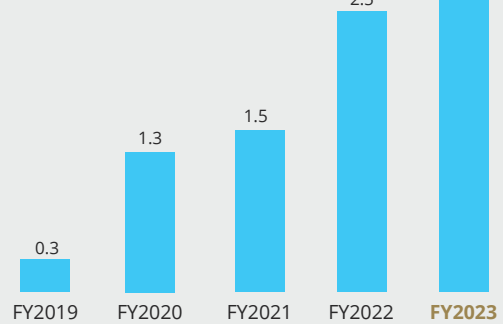
**REVENUE BY COUNTRY**  
(S\$'millions)



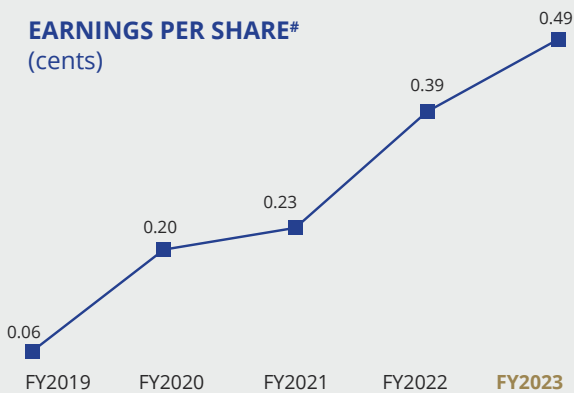
**GROSS PROFIT**  
(S\$'millions)



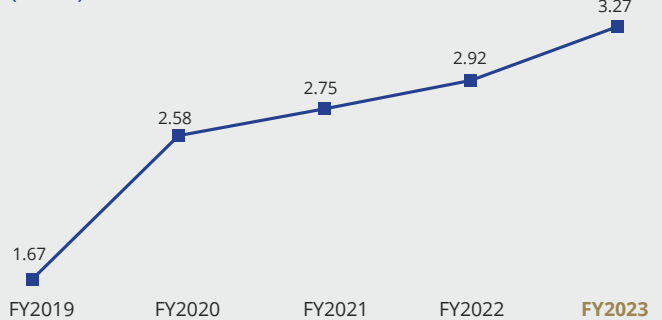
**PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**  
(S\$'millions)



**EARNINGS PER SHARE#**  
(cents)



**NET ASSET VALUE PER SHARE#**  
(cents)



# The number of ordinary shares in issue has been retrospectively adjusted with 3 for 1 share split that was completed in May 2022 to enable a better comparison of the earnings per share and net asset value per share.

# CHAIRMAN AND CEO'S MESSAGE



**Mr Jackson Chevalier Yap Kit Siong**  
*Independent Non-Executive Chairman*

## **PROPOSED DIVIDENDS FOR FY2023**

**0.196** Singapore cents

**66.1%** increase from FY2022

## **DEAR SHAREHOLDERS,**

On behalf of the Board of Directors ("**Board**") of Memiontec Holdings Limited ("**Memiontec**" the "**Company**") and together with its subsidiaries, the "**Group**"), it gives us great pleasure to present the Annual Report for the financial year ended 31 December 2023 ("**FY2023**").

## **CONTINUAL GROWTH IN 2023**

2023 was another year of strong results and progress as we continue in our strategic roadmap on scaling up for accelerated growth. This is also a testament to the strength, diversity and resilience of our business model that encompasses the entire value chain in the water industry.

Memiontec continued where it left off in the financial year ended 31 December 2022 ("**FY2022**"), with year-on-year revenue growth of 56.2% to S\$66.9 million in FY2023. The Group registered gross profit of S\$9.3 million in FY2023, a corresponding increase of 7.6% as compared to S\$8.6 million in FY2022. In FY2023, our profit attributable to owners of the Company increased by 26.8% to S\$3.2 million on the back of a higher gross profit and revenue.

Our Total Solutions with Engineering, Procurement & Construction (TSEPC) business segment continues to be the key contributor with revenue of S\$63.6 million in FY2023 (FY2022: S\$39.1 million), accounting for 95.2% of total revenue in FY2023 (FY2022: 91.3%). The revenue for TSEPC business segment for FY2023 increased by 63.0%, as compared to FY2022, due to the increased revenue contribution from on-going projects in Singapore of S\$50.0 million in FY2023 (FY2022: S\$16.8 million). In Indonesia, the work volume decreased to S\$17.3 million for FY2023 (FY2022: S\$26.0 million), due to significant work completed for larger projects in FY2022 as compared to FY2023.

Operationally, all of the Group's four business segments continued to deliver positive profit contributions in FY2023.

The Group kept its general and administrative expenses in check at around S\$5.4 million mark, year on year, to support this growth year in 2023.

Our financial position remains strong and healthy. The Group continues to practise financial prudence in managing and operating our business. As at end of FY2023, the Group had cash and bank balances of approximately S\$14.0 million, and our gearing ratio (total debts/total equity) stood at 0.52.

## CHAIRMAN AND CEO'S MESSAGE

**Mr. Tay Kiat Seng**  
*Executive Director  
and Chief Executive Officer*

**FY2023**  
**REVENUE** S\$66.9 Million  
**GROSS PROFIT** S\$9.3 Million



As at 31 December 2023, the Group has an order book of approximately S\$57.1 million. Most of these projects are expected to be substantially completed within the next 2 years.

### **INCREASED DIVIDENDS PROPOSED FOR FY2023**

The Board has proposed a dividend of 0.196 Singapore cent per share for FY2023, which translates into a dividend increment of 66.1% as compared to the dividend payment of 0.118 Singapore cent per share for FY2022.

Since our listing in March 2020, we have increased our dividend payout for every year, reflecting our commitment to deliver value and improving returns to our shareholders.

### **SUSTAINABLE SOLUTIONS FOR A BETTER TOMORROW**

Our strong financial performance in FY2023 has provided us good traction. We look forward to build on this momentum with the rising demand for water solutions in Southeast Asia as urbanisation accelerates in tandem with economic growth in the region.

The fundamental need for water will not change. Growing populations and industries will drive the demand for water. With rising demand for water and wastewater solutions, we continue to seek opportunities to grow in the region and beyond. Notably, we are looking to enlarge the pipeline of our Build-Own-Operate-Transfer/Transfer-Own-Operate-Transfer (BOOT/TOOT) projects with the intention of expanding our recurring income base.

Indonesia remains an important market for the Group given the emphasis and development of its water and wastewater treatment capacity. The recent Bali and Tanah Merah BOOT projects as announced on 24 October 2023 and 22 September 2023 respectively are scheduled to be completed by this year. The Group is exploring and remains hopeful to secure new BOOT 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 Public Utilities Board (PUB). The Group will participate in such tender exercises, keeping in mind the competitive environment. Vietnam is a potential new market for expansion in South East Asia for the Group.

# CHAIRMAN AND CEO'S MESSAGE

***“Since our listing in March 2020, we have increased our dividends payout for every year, reflecting our commitment to deliver value and improving returns to our shareholders.”***

We are seeing strong demand for water and wastewater treatment projects as well as BOOT projects in Vietnam that typically allow the supply and the sale of water to consumers for a contractual concession period of 50 years.

There are great opportunities ahead in the region as we build a long-term sustainable future with our integrated business model that spans across the entire value chain of the water industry.

## **BOARD AND MANAGEMENT CHANGES**

Mr Loh Eu Tse Derek left as our Independent Director in June 2023. We are grateful to Mr Loh for his wisdom and guidance during his service as Chairman of our Nomination Committee and member of Audit Committee and Remuneration Committee. In addition, the Board would like to extend our thanks to Mr Lee Quang Loong, our Chief Financial Officer for his past contributions and dedication. We wish both of them all the best in their new professional pursuits.

This past year, we welcomed our new Chief Financial Officer, Mr Chua Siong Kiat, to the management team, and a new independent non-executive director, Mr Yap Chee Wee to our Board. Siong Kiat has close to 30 years of international broad-based financial and management experience. Chee Wee is a seasoned professional in fund management, private equity, venture capital, investment banking and audit across Asia Pacific. With his addition to the Board, the Group is now well poised to better execute our business growth strategies.

## **APPRECIATION**

On behalf of the Board, we would like to express our heartfelt appreciation to the management team and staff for their efforts and dedication throughout the years. We would also like to express our gratitude to fellow Board members for their invaluable contributions towards the Group with their expertise and experience.

Last but not least, we wish to thank all our shareholders, customers, business partners and other stakeholders for their continued trust and support and for growing the Group with us.

Despite the uncertainties ahead, we remain confident that the Group is well-positioned to accomplish its objectives of generating strategic growth and enhancing shareholders' value in the coming years.

Thank You!

**Mr. Jackson Chevalier Yap Kit Siong**  
*Chairman*

**Mr. Tay Kiat Seng**  
*Executive Director and Chief Executive Officer*

## CHAIRMAN AND CEO'S MESSAGE

### CEO'S PERSONAL MESSAGE ON MR JACKSON CHEVALIER YAP KIT SIONG'S RETIREMENT:



At the end of our coming Annual General Meeting in April 2024, Mr Jackson Yap will be retiring after serving more than 4 years on Memiontec's Board. On behalf of the Group, we would like to extend our deepest gratitude to you, Chairman, for your strong and effective stewardship and the guidance you have given to the leadership team.

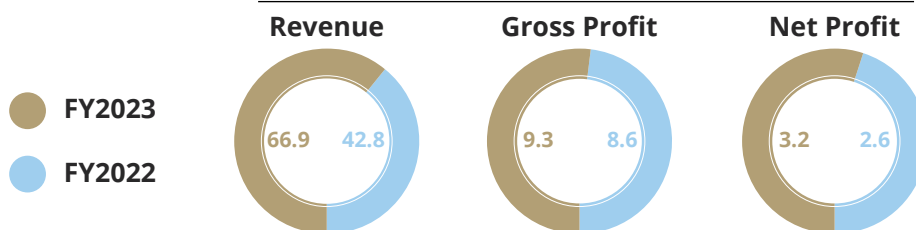
### CHAIRMAN'S PERSONAL MESSAGE ON STEPPING DOWN AS CHAIRMAN:



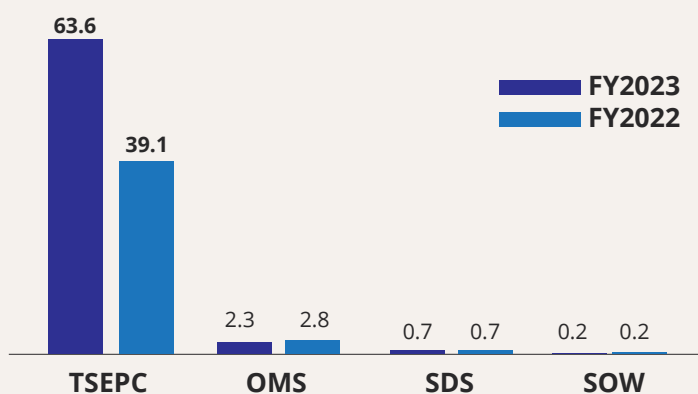
It has been my privilege and an honour to have served Memiontec since 2019. I deeply cherish the experience and the opportunity to journey with the Memiontec family. Much progress has been made in Memiontec's growth under Kiat Seng. I am confident that under the stewardship of the Board to be led by a new experienced chair and the management team headed by Kiat Seng, Memiontec will continue to advance strongly, and achieve greater success as it continues with its growth strategy. Finally, I thank all Shareholders for your patience, understanding and support during my Chairmanship.

# OPERATING AND FINANCIAL REVIEW

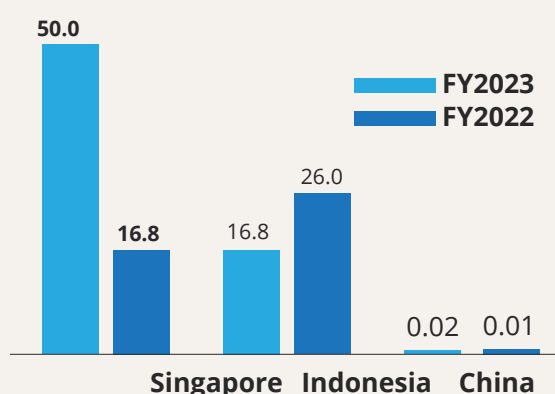
In S\$'million



REVENUE BY SEGMENTS (S\$'millions)



REVENUE BY COUNTRY (S\$'millions)



TOTAL REVENUE



In terms of revenue breakdown by business segments, the Group's TSEPC business segment continues to be the key contributor with revenue of S\$63.6 million recorded in FY2023, as compared to S\$39.1 million in FY2022. In FY2023, TSEPC, OMS, Trading and Sales of water accounted for 95.2%, 3.5%, 1.0% and 0.3% of the Group's total revenue respectively, as compared to 91.3%, 6.5%, 1.7% and 0.5% of the Group's total revenue in FY2022 respectively.

Geographically, Singapore was the main revenue generator in FY2023, accounting for 74.9% of the Group's total revenue, as compared to 39.3% of the Group's total revenue registered in FY2022.

In Indonesia, there was a lower volume of work carried out in FY2023 due to significant work that was completed for larger projects in Indonesia in FY2022. Hence, there was lower revenue contribution from Indonesia and as a result, revenue from Indonesia accounted for 25.1% of the Group's total revenue, as compared to 60.7% of the Group's total revenue registered in FY2022.

While the Group's revenue was higher in FY2023, as compared to FY2022, overall gross profit margin decreased by 6.3 percentage points despite an increase in gross profit of 7.6% in FY2023 as its TSEPC operations in Singapore, which commanded lower margins, accounted for a larger portion of the Group's total revenue in FY2023 as mentioned above.

Corresponding to higher gross profit margin, the Group's gross profit increased by 7.6% to S\$9.3 million in FY2023, as compared to S\$8.6 million registered in FY2022.

The Group's other income increased by 39.8% from S\$0.2 million to S\$0.3 million in FY2023 mainly due to government grants received mainly in relation to grants for new markets penetration overseas.

The Group incurred higher general and administrative expenses in FY2023, mainly due to the increase in payroll costs, directors' remuneration, and other expenses such as overhead costs and workers' dormitory rental,



# OPERATING AND FINANCIAL REVIEW

partially offset by the absence of loss allowance on trade receivables and contract assets, lower net foreign exchange loss recorded, and lower consultancy and professional fees, directors' fees, and depreciation and amortisation expenses during the year under review.

Finance costs increased slightly due to the increase in borrowings during the respective years under review.

Share of (loss) / 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 share of loss recorded in FY2023 was due the maintenance of the plant and stoppage of production arising from the adverse weather conditions, which affected the water intake during the year under review, hence resulting in a lower volume of water produced. The plant resumed operations in November 2023.

## FINANCIAL POSITION

	FY2023 (S\$'M)	FY2022 (S\$'M)	Changes	
			(S\$'M)	%
<b>Net current assets</b>	<b>17.8</b>	<b>17.3</b>	<b>0.5</b>	<b>2.9</b>
<b>Total non-current assets</b>	<b>5.6</b>	<b>5.1</b>	<b>0.5</b>	<b>9.8</b>
<b>Total non-current liabilities</b>	<b>1.7</b>	<b>2.9</b>	<b>(1.2)</b>	<b>(41.4)</b>

Net current assets increased slightly to S\$17.8 million as at 31 December 2023.

Non-current assets increased to S\$5.6 million as at 31 December 2023, from S\$5.1 million as at 31 December 2022. This was mainly due to the increase in other investments in BOOT projects of S\$0.9 million, partially offset by the depreciation of property, plant and equipment and the amortization of right-of-use assets in FY2023 of a total of S\$0.3 million and the decrease in investment in a joint venture from the share of losses of S\$0.1 million.

Non-current liabilities declined to S\$1.7 million as at 31 December 2023, from S\$2.9 million as at 31 December 2022, which was mainly due to the repayment of borrowings in FY2023.

## CASH FLOW

	S\$'M
1 January 2023	11.9
Operating Cash Flows	(4.3)
Investing Cash Flows	(0.9)
Financing Cash Flows	5.1
Effect of exchange rate changes	-.*
31 December 2023	11.8

\*less than S\$30,000/-

Net cash used in operating activities amounted to S\$4.3 million in FY2023 (FY2022: net cash generated amounting to S\$0.2 million), mainly due to the significant increase in contract assets as a result of timing differences between payments to suppliers and collections from customers.

Net cash used in investing activities amounted to S\$0.9 million in FY2023 (FY2022: S\$0.3 million), mainly due to additional equity injection in BOOT projects located at Pekan Baru and Tanah Merah, Indonesia.

Net cash generated from financing activities amounted to S\$5.1 million in FY2023 (FY2022: net cash used in amounting to S\$1.6 million) as the Group repaid debts amounting to S\$5.9 million (FY2022: S\$1.3 million) and drew down short-term financing facilities of S\$12.7 million (FY2022: S\$0.3 million) during FY2023. Dividends amounting to S\$0.8 million (FY2022: S\$0.5 million paid in respect of the financial year ended 31 December 2021) for FY2022 were paid during FY2023.

Consequently, the Group's overall cash and cash balances stood at S\$14.0 million as at 31 December 2023, of which S\$2.2 million were time deposits pledged for banking facilities purpose.

## LIQUIDITY

As at 31 December 2023 and 2022, the Group is in a healthy net cash position.

	FY2023 S\$' M	FY2022 S\$'M
<b>NET CASH</b>		
Cash and bank balances	14.0	13.3
Less: Debt (borrowings and lease liabilities)	(11.2)	(4.3)
Net cash	2.8	9.0

## OVERALL PERFORMANCE

Overall, the Group achieved improved revenue and profitability with strong and healthy financial position in FY2023.

# PROJECT PORTFOLIO



**1 Tuas South Desalination Plant**

- Ultrafiltration System
- Capacity: 8,800 LPS



**2 Jurong Water Reclamation Plant**

- Membrane Bioreactor System
- Capacity: 787 LPS



**3 Semakau Landfill**

- Wastewater Treatment Plant & Power Generation System
- Capacity: 208 LPS



**4 Changi Water Reclamation Plant**

- High Rate Clarification System
- Capacity: 2,300 LPS



**5 Woodleigh Waterworks**

- Post-treatment System
- Capacity: 2,300 LPS



**6 Kranji NE Water Factory**

- Reverse Osmosis Membranes
- Capacity: 900 LPS
- Microfiltration Membranes
- Capacity: 1,193 LPS



**7 Bedok Water Work**

- Electrochlorination System
- Capacity: 1,578 LPS
- Chlorine Contact Tank
- Capacity: 1,578 LPS



**8 Mandai Zoo - Penguin Exhibit**

- Animal Life Support System
- Capacity: 388 LPS



**9 Jurong Island Sewage Treatment Plants**

- Replacement of M&E Equipment



**10 Deep Tunnel Sewerage System Phase 2**

- Odour Control & Air Jumpers Facilities



**11 Kranji NE Water Factory**

- Pressurized Microfiltration System
- RO membrane
- Capacity: 266 LPS



**12 Changi Water Reclamation Plant**

- Phase 2 C22C MBR Plant
- Capacity: 1,736 LPS

# PROJECT PORTFOLIO



## INDONESIA



COMPLETED PROJECTS



ON-GOING PROJECTS



BOOT/TOOT PROJECTS



### 1 Pekanbaru BOOT Project

- WTP for Drinking water
- Capacity: 750 LPS
- Completed: 2022



### 2 Hutan Kota BOOT Project

- Capacity: 500 LPS
- WTP for Drinking water
- Completed: 2019



### 3 Waduk Pluit TOOT Project

- Capacity: 32 LPS
- WTP for Drinking water
- Completed: 2018



### 4 Tanah Merah BOOT Project

- WTP for Drinking water
- Capacity: 200 LPS
- On going BOOT Project



### 5 ITDC Nusa Dua, Bali BOOT Project

- Desalination plant for Drinking water
- Capacity: 46 LPS
- On going BOOT Project



### 6 Jambi City Wastewater Treatment Plant

- Aerobic Reactor, UV System and Sand and Carbon Filter
- Capacity: 88 LPS
- Completed: 2023



### 7 Palembang City Sewage Treatment Plant

- Aerobic Baffled Reactor, Biotricking Filter & Chlorination
- Capacity: 230 LPS
- Completed: 2023



### 8 Makassar Wastewater Treatment Plant

- Aerobic Reactor, UV System & Sand and Carbon Filter
- Capacity: 185 LPS
- Completed: 2023



### 9 PAM Jaya Water Treatment Plant

- Moving Bed Blofilm (MBBR) System, Ultrafiltration
- Capacity: 10 LPS
- Completed: 2021



### 10 Indolakto Wastewater Treatment Plant

- Moving Bed Blofilm (MBBR) System, Ultrafiltration & Reserve Osmosis
- Capacity: 10 LPS
- Completed: 2021



### 11 Rehabilitation of Oloboju Water Treatment Plant

- System: Clarifier Gravity Filter - Reservoir
- Capacity 300 LPS



### 12 Adaro Relocation Intake Project

- Installation for HDPE Pipe Transmission 8 km



### 13 Tarjun Water Treatment Plant

- Upgrading existing WTP system up to 250m<sup>3</sup>/hour



### 14 FOI Waste Water Treatment Plant

- Upgrading existing WWTP from 300 to 600 m<sup>3</sup>/day



### 15 Suralaya WWTP Plant

- Design & Build WWTP for Power Plant
- Capacity: 1000 m<sup>3</sup>/day

# BOOT AND TOOT PORTFOLIO

## OUR BOOT PROJECT



### 1 PEKANBARU INDONESIA (BUILD-OWN-OPERATE TRANSFER)

**Location:**

*Riau, Pekanbaru*

**Status:**

*Upgrading completed in 2022*

**Our Interest:**

*15% (PT PP: 85%)*

**Concession Period:**

*25 years*

**Capacity:**

*Up to 750 litres/second*



### 4 JAKARTA INDONESIA (BUILD-OWN-OPERATE-TRANSFER)

**Location:**

*Tanah Merah, Jakarta*

**Status:**

*Construction in progress*

**Our Interest:**

*42% (PT PP: 51%)*

**Concession Period:**

*20 years*

**Capacity:**

*200 litres/second*



### 2 JAKARTA INDONESIA (BUILD-OWN-OPERATE-TRANSFER)

**Location:**

*Hutan Kota, Jakarta*

**Status:**

*Construction completed in 2019*

**Our Interest:**

*40% (PT JUP: 60%)*

**Concession Period:**

*20 + 5 years from 2019*

**Capacity:**

*500 litres/second (43,200 m<sup>3</sup>/day)*



### 5 BALI INDONESIA (BUILD-OWN-OPERATE-TRANSFER)

**Location:**

*Nusa Dua, Bali*

**Status:**

*Construction in progress*

**Our Interest:**

*80% (PT BSBK: 20%)*

**Concession Period:**

*At least 15 years*

**Capacity:**

*46 litres/second*

## OUR TOOT PROJECT



### 3 JAKARTA INDONESIA (TRANSFER-OWN-OPERATE-TRANSFER)

**Location:**

*Waduk Pluit, Jakarta*

**Status:**

*Upgrading completed in 2018*

**Our Interest:**

*40% (PT JUP: 60%)*

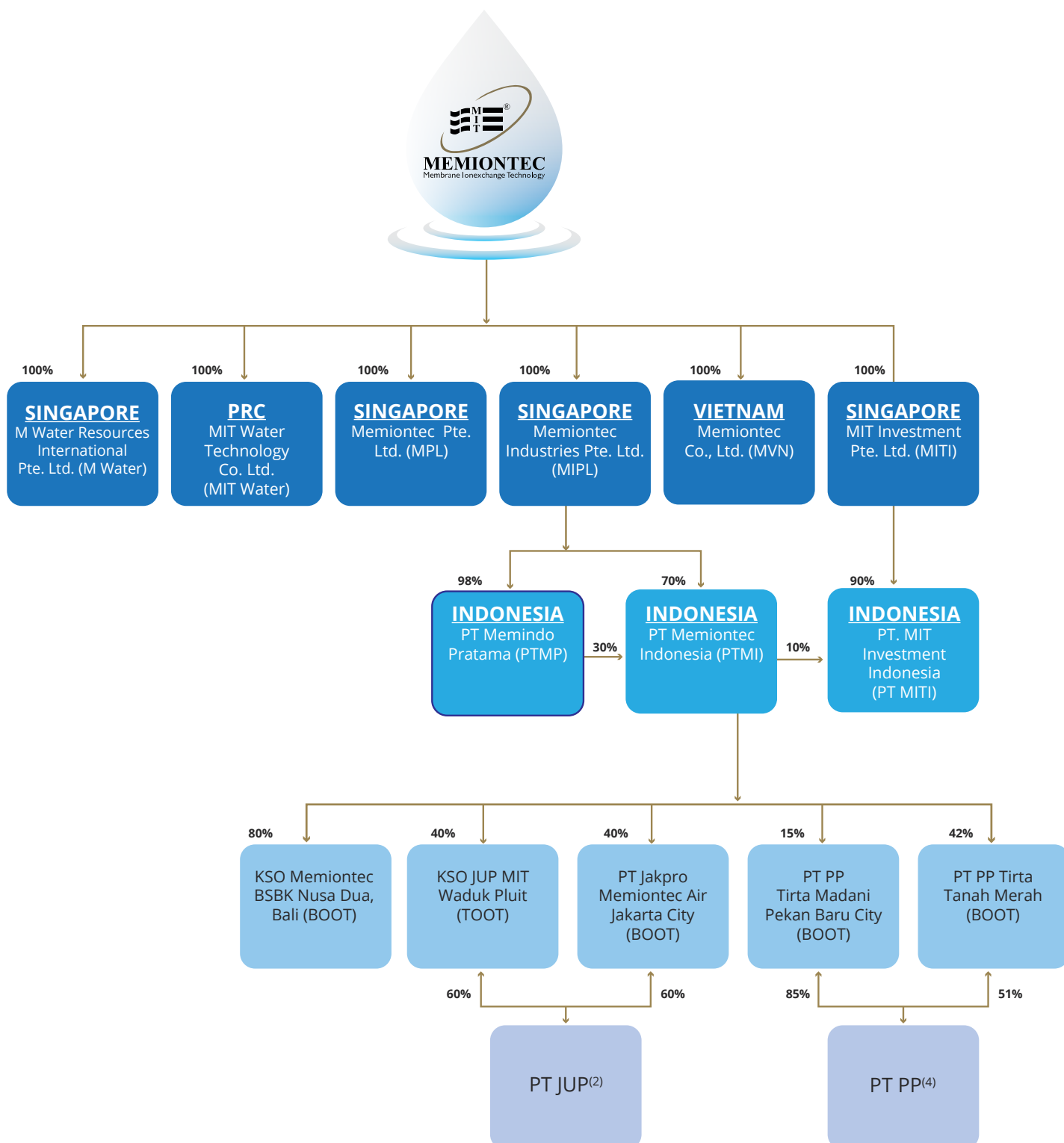
**Concession Period:**

*25 years from 2018*

**Capacity:**

*Up to 2,500 m<sup>3</sup>/day*

# CORPORATE STRUCTURE



1 The Company has established effective control over (i) 98.0% of PTMP; and (ii) a further 29.4% of PTMI through PTMP's 30.0% shareholding interest in PTMI, through MIPL, via a set of contractual agreements. Accordingly, PTMI and PTMP are considered a 99.4% subsidiary and 98.0% subsidiary of our Company respectively, from an accounting perspective.

2 PT JUP is a wholly-owned subsidiary of PT Jakarta Propertindo, an enterprise which is ultimately owned by the state government, Daerah Khusus Ibukota Jakarta.

3 PT PPTM is a joint venture company which signed a cooperation agreement with the government water agency of Pekanbaru Baru, Indonesia.

4 PT PP is a reputable state-owned civil and infrastructure contractor and developer in Indonesia.

# BOARD OF DIRECTORS



**JACKSON CHEVALIER  
YAP KIT SIONG**  
*Independent  
Non-Executive Chairman*

First appointed:  
**30 December 2019**

Last re-elected:  
**28 April 2023**

**Mr Yap** was appointed as our Lead Independent Director on 30 December 2019. He was appointed as our Independent Non-Executive Chairman with effect from 1 July 2021.

Mr Yap worked for United Engineers Limited from 1997 until his retirement in January 2014. He was its Group Managing Director and Chief Executive Officer from 2001 to 2014, and following his retirement, he continued to serve as its Senior Advisor and a Non-Executive, Non-Independent Director until April 2014. Mr Yap first joined United Engineers Limited in 1997 as its Chief Operating Officer. From 1992 to 1997, Mr Yap was with Exxon Chemical Asia Pte Ltd where he last held the position of Manager (Planning) of Major Ventures Asia Pacific. Prior to that, he worked at several multinational companies in the oil and petrochemical industry.

Mr Yap graduated with a Bachelor of Engineering (Chemical and Materials) from Auckland University in 1974 and is a fellow of the Singapore Institute of Directors.

Mr Yap has informed that he will retire as a Director at the Company's forthcoming Annual General Meeting to be held on 24 April 2024.

## DIRECTORSHIPS AND OTHER PRINCIPAL COMMITMENTS

### PRESENT

#### Directorships:

- Leafydom Limited

**Other principal commitment:** Nil

### PAST (FOR THE LAST 5 YEARS)

#### Directorships:

- Greatearth Pte. Ltd.
- NJCapital Sdn Bhd
- Apex Healthcare Berhad

**Other principal commitment:** Nil



**TAY KIAT SENG**  
*Executive Director and  
Chief Executive Officer*

First appointed:  
**6 March 2013**

Last re-elected:  
**29 April 2022**

*Mr Tay Kiat Seng holds several directorships in the Company's subsidiaries and/or associated companies, as set out above.*

**Mr Tay** co-founded Memiontec in 1992 with our Managing Director, Ms Soelistyo Dewi Soegiharto. He has over 30 years of experience in the water treatment industry. Prior to co-founding Memiontec, Mr Tay spent two years as a senior manager at a water treatment company, Watermac Engineering Pte Ltd. He started his career with Memtec Ltd, an Australian water treatment company, where he worked as a design engineer, focusing on the MEMCOR membrane product line for two years.

As Executive Director and CEO of the Group, Mr Tay is responsible for overseeing its business performance and direction as well as formulating, developing and overseeing the execution of business strategies for growth and expansion. He also drives the Group's business growth and is directly responsible for growing the Group's foreign subsidiaries in Indonesia, People's Republic of China and Vietnam.

Mr Tay graduated from the University of Strathclyde, United Kingdom, with a Bachelor of Engineering in Mechanical Engineering in 1988 and is a member of the Singapore Institute of Directors. He attended the Scale-Up SG Stanford Executive Programme by Stanford University Graduate School of Business in 2021.

Mr Tay is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 24 April 2024.

## DIRECTORSHIPS AND OTHER PRINCIPAL COMMITMENTS

### PRESENT

#### Directorships:

*Group of Companies*

- Memiontec Pte Ltd
- M Water Resources International Pte. Ltd.
- Memiontec Industries Pte. Ltd.
- MIT Water Technology (Chengdu) Co. Ltd.
- PT Memiontec Indonesia
- Memiontec Company Limited (Legal Representative and General Director)
- PT Jakpro Memiontec Air (Commissioner)
- MIT Investment Pte. Ltd.
- PT MIT Investment Indonesia

**Other principal commitment:** Nil

### PAST (FOR THE LAST 5 YEARS)

#### Directorship:

Memiontec (Wuxi) Co., Ltd

*Other Companies*

- UI Pte. Ltd.
- Unity Strength Pte. Ltd.
- PT Universal Energy Investment (fka PT MIT Water Technologies)

**Other principal commitment:** Nil

# BOARD OF DIRECTORS



**SOELISTYO DEWI SOEGIHARTO**

*Managing Director*

First appointed:  
**6 March 2013**

Last re-elected:  
**12 April 2021**

*Ms Soelistyo Dewi Soegiharto holds several directorships in the Company's subsidiaries and/or associated companies, as set out above.*

**Ms Dewi** co-founded Memiontec in 1992 with Executive Director and CEO, Mr Tay Kiat Seng. She has more than 30 years of experience in the water treatment business. Prior to co-founding Memiontec, she worked as a sales and project engineer for a year at Scottscenter Pte. Ltd., a water treatment solutions company in Singapore.

As Managing Director, Ms Dewi supports the overall management and business operations of the Group as well as in the implementation of its strategic plans in relation to achieving sales and profits targets and improving the prospects of its Singapore and Indonesia subsidiaries. In addition, she is responsible for the business direction, management and oversight of the operations of Memiontec Pte Ltd, our Singapore-incorporated subsidiary. She was instrumental in developing the market and foundation of the Group's Indonesian subsidiary.

Ms Dewi graduated from the University of New South Wales, Australia, with a Bachelor of Engineering in Chemical Engineering in 1991 and is a member of the Singapore Institute of Directors. She attended the Scale-Up SG Stanford Executive Programme by Stanford University Graduate School of Business in 2021.

Ms Dewi is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 24 April 2024.

**Mr Hor** is our Independent Director and was appointed on 30 December 2019.

Mr Hor was formerly Chief Financial Officer of Albedo Limited from 2014 until his retirement in 2016. Prior to that, he was the Chief Financial Officer of CosmoSteel Holdings Limited from 2007 to 2013. Between 1996 and 2007, he expanded his experience in the finance field at various organisations. From 1984 to 1996, he was with Deutz MWM Asia Pacific Pte Ltd as its Company Secretary and Financial Controller. Mr Hor was with the Keppel group of companies from 1976 to 1984.

He obtained a Bachelor of Accountancy from the University of Singapore in 1976 and a Master of Business Administration from Macquarie University in 1994. Mr Hor is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants, a Fellow of the Association of Chartered Certified Accountants of United Kingdom and a Professional (Life) Member of the Singapore Human Resources Institute.



**HOR SIEW FU**

*Independent Director*

First appointed:  
**30 December 2019**

Last re-elected:  
**28 April 2023**

## DIRECTORSHIPS AND OTHER PRINCIPAL COMMITMENTS

### PRESENT

#### Directorships:

*Group of Companies*

- Memiontec Pte Ltd
- M Water Resources International Pte. Ltd.
- Memiontec Industries Pte. Ltd.
- PT Memindo Pratama

*Other Companies*

- UI Pte. Ltd.
- PT Universal Energy Investment (Commissioner (fka PT MIT Water Technologies)

**Other principal commitment:** Nil

### PAST (FOR THE LAST 5 YEARS)

#### Directorships:

*Group of Companies*

- PT Memiontec Indonesia
- PT Jakpro Memiontec Air (Commissioner)

**Other principal commitment:** Nil

## DIRECTORSHIPS AND OTHER PRINCIPAL COMMITMENTS

### PRESENT

#### Directorships:

- Revez Corporation Limited
- Cosmosteel Holdings Limited Edition Ltd.
- Datapulse Technology Limited
- Datapulse Investment Pte. Ltd.
- Capikor Pte. Ltd.
- Capiti Investments Pte. Ltd.
- Capiti Asset Management Pte. Ltd.
- KPH Top Pte. Ltd.
- KPH Pte. Ltd.
- KPH 2 Pte. Ltd.
- SPH Top Pte. Ltd.
- SPH 1 Pte. Ltd.

**Other principal commitment:** Nil

### PAST (FOR THE LAST 5 YEARS)

#### Directorships:

- Sandav Business Solutions Pte. Ltd.
- Q Industries & Trade Pte Ltd
- Plastoform Holdings Limited

**Other principal commitment:** Nil

# BOARD OF DIRECTORS



**YAP CHEE WEE**

*Independent Director*

First appointed:  
**1 SEPTEMBER 2023**

Last re-elected:  
**Not Applicable**

**Mr Yap** is our Independent Director and was appointed on 1 September 2023.

Mr Yap has more than 20 years of experience in fund management, private equity, venture capital, investment banking and audit.

Mr Yap founded Fleur Capital (S) Pte. Ltd. ("Fleur Capital"), an asset management company regulated by the Monetary Authority of Singapore, in 2007. At Fleur Capital, Mr Yap managed funds that invest in a wide range of asset classes. He also expanded its service offerings to Family Office Advisory and Impact Investing.

Before that, Mr Yap acquired, operated and sold Wang Café, a chain of F&B outlets in Singapore. Prior to being a business owner, he served as the Chief Investment Officer of a company listed on Singapore Exchange.

Mr Yap graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University in Singapore. He also completed the International Business Fellowship Programme at Qinghua University and Nanjing University in China. He holds the Chartered Financial Analyst (CFA) and Chartered Accountant (CA) Singapore qualifications.

Mr Yap is seeking for re-election as a Director at the Company's forthcoming Annual General Meeting to be held on 24 April 2024.

## **DIRECTORSHIPS AND OTHER PRINCIPAL COMMITMENTS**

### **PRESENT**

#### **Directorships:**

- Fleur Capital (S) Pte. Ltd.
- Infiniti Real Estate Strategies Fund Limited
- J3 Gems Pte. Ltd.
- KH Roberts Group Pte. Ltd.
- PT Keith Harris Indonesia
- KH Roberts (Thailand) Co., Ltd.
- Lucro Investments VCC
- Tara Capital VCC
- SW Group Capital VCC
- TINGB VCC

**Other principal commitment:** Nil

### **PAST (FOR THE LAST 5 YEARS)**

#### **Directorship:**

Apollo EV Pte. Ltd.

**Other principal commitment:** Nil



## MANAGEMENT TEAM



**CHUA SIONG KIAT**  
*Chief Financial Officer*

**Mr Chua Siong Kiat** was appointed as Chief Financial Officer on 28 April 2023. He supports the CEO and Managing Director of the Company in implementing the Group's business strategies, is responsible for the corporate finance and governance of the Company including listing compliance, investor relations, treasury and risk management as well as the Company's financial reporting and accounting.

Mr Chua has close to 30 years of international broad-based financial and management experience, having lived and worked in London, Beijing, Ho Chi Minh City and Singapore. His experience covers business strategy and management, corporate governance and compliance, investor relations, corporate finance and M&A, fund raising, public listing, finance transformation, financial reporting, controls and planning.

Mr Chua is a Fellow member of The Association of Chartered Certified Accountant (FCCA), a Certified Internal Auditor (CIA), a Chartered Accountant of Singapore (CA Singapore), a Chartered Valuer and Appraiser (CVA) and a Senior Accredited Director conferred by Singapore Institute of Director (SID). He holds a Master of Business Administration and Diploma of the Imperial College in Management (MBA, DIC) from Imperial College of Science, Technology and Medicine, University of London.



**LIM WEI KUAN**  
*Director, Memiontec Pte Ltd*

**Mr Lim Wei Kuan** has been with the Group since his university graduation in 2006 when he joined as a Project & Application Engineer. He was promoted to General Manager of Memiontec Pte Ltd ("**MPL**") in 2014 and in December 2019, Mr Lim was appointed to his current role as Director of MPL.

As Director of MPL, Mr Lim is responsible for design and engineering, securing sales orders, overseeing project implementation and maintenance and service work in Singapore. He is also accountable for the budget, cost control and overall performance of our operations in Singapore.

Mr Lim obtained a Bachelor of Engineering in Chemical Engineering from the University of Malaya in 2006.



**IRAWATI TAN**  
*Director, PT Memiontec  
Indonesia*

**Ms Irawati** first joined the Group in 2009. She assists our Executive Director and CEO in managing the overall business and operations in Indonesia and is responsible for sales and marketing, project execution, procurement, budget and cost control of the Group's Indonesia business units.

She started her career at the Astel Group after her graduation, where she held various roles, including budget and finance controller. Before Ms Irawati left the Astel Group to join the Group in 2009, she last held the position of procurement manager.

Ms Irawati graduated from Bina Nusantara University with a Bachelor of Accounting in 2004.

# SUSTAINABILITY REPORT

Memiontec Holdings Ltd. (the “Company” or “Memiontec”, together with its subsidiaries, the “Group”) presents its Sustainability Report (“SR”), which provides an annual update on the Company’s progress in meeting its commitments and targets on sustainability, with a focus on our Environmental, Social, and Governance (“ESG”) topics. Integrating this SR within our Annual Report, this report offers a comprehensive view of the Company’s overall performance during the financial year ended on 31 December (“FY”) 2023, thereby providing our stakeholders with a complete understanding of our sustainability efforts.

## 1. ABOUT MEMIONTEC

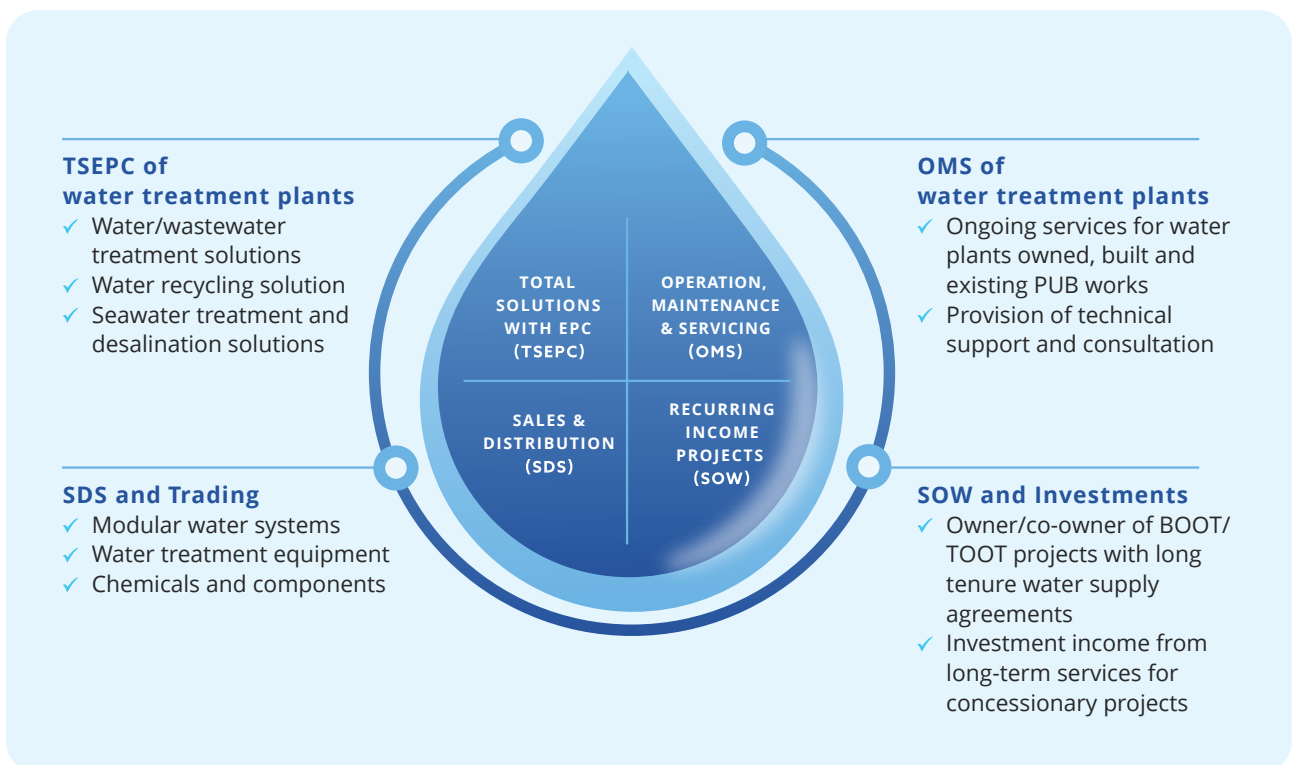
Memiontec’s vision is to be recognised globally as the leading one stop water technology total solutions provider for water management. Headquartered in Singapore, Memiontec has provided total solutions in water and wastewater treatment for over 30 years in Singapore, Indonesia and People’s Republic of China. Using membrane, ion exchange, physical, chemical and biological processes and leveraging on our in-house design, engineering, fabrication and assembly capabilities, Memiontec

develops compact, cost-effective, innovative and space-efficient water and wastewater treatment solutions for both municipalities and a wide variety of industries in Singapore, Indonesia and China.

### 1.1. OUR BUSINESS SEGMENTS

Memiontec has 4 main business segments harnessing opportunities across the entire water value chain, as follows:

- Providing total solutions with engineering, procurement and construction (“TSEPC”) services for a wide variety of municipal and industrial applications;
- Offering a range of related services such as consultation, support, operations, maintenance and servicing (“OMS”) works in municipal and private sectors;
- Undertaking sales and distribution activities of systems and equipment (“SDS”); and
- Selling of water (“SOW”) as owner/co-owner of Build-Own-Operate-Transfer (“BOOT”) and Transfer-Own-Operate-Transfer (“TOOT”) projects for recurring income.



## 1.2. OUR BUSINESS MODEL AND SUSTAINABILITY

As a water company, Memiontec has always placed sustainability at the core of its belief system and business operations. By transforming water with a forward-thinking mindset and a vision for a better world and improved quality of life.

Memiontec creates economic and social value for its stakeholders and communities by leveraging its core competencies in water management. The Company supports municipalities in developing water and waste water treatment plants to provide safe and clean water and good sanitation to improve water security and expand access to clean water and sanitation services in the regions where it operates. Additionally, Memiontec participates in PPPs and invests in long-term BOOT and TOOT projects to generate sustainable economic performance for its shareholders. Overall, Memiontec aims to create sustainable economic and social value by utilizing its expertise in water management to address the needs of our stakeholders and communities.

In the past, conventional technologies like coagulation, sedimentation, filtration, and disinfection were used for water treatment. However, Memiontec has been at the forefront of innovation by adopting membrane and ion-exchange technologies as its core business offering. These technologies offer numerous advantages, such as higher efficiency, improved water quality, and reduced environmental impact. By promoting these advanced technologies, Memiontec has been able to stay active and competitive in the water treatment industry, providing innovative and cost-effective water and wastewater treatment solutions to its clients.

Moving forward, Memiontec is always at the forefront of these evolving trends as we continue to position ourselves to support national water supply agencies and the industries in various ways to embrace sustainability to achieve United Nation ("UN") Sustainable Development Goals ("SDG"), particularly Goal 6 on Clean Water and Sanitation:



- Increase the sources of raw water;
- Participate in Public-Private-Partnerships ("PPPs") to build more water infrastructure in emerging markets;
- Adopt newer technology to improve plant reliability and efficiencies in resource management and waste recycling;
- Implement digitalisation of water treatment process from present to the future.

## 1.3. OUR VALUE CHAIN

Memiontec works extensively with various supply chain partners and downstream business partners.

### Design and engineering

Tailored and customized solutions to meet and solve water needs for our customers

### Procurement

Sourcing of high efficiency and quality yet cost-effective materials and equipment

### Build / Construction

Effective execution of plant construction with adherence to safety

### Operations and Maintenance

Regular maintenance and repair of plant to ensure smooth and efficient operations

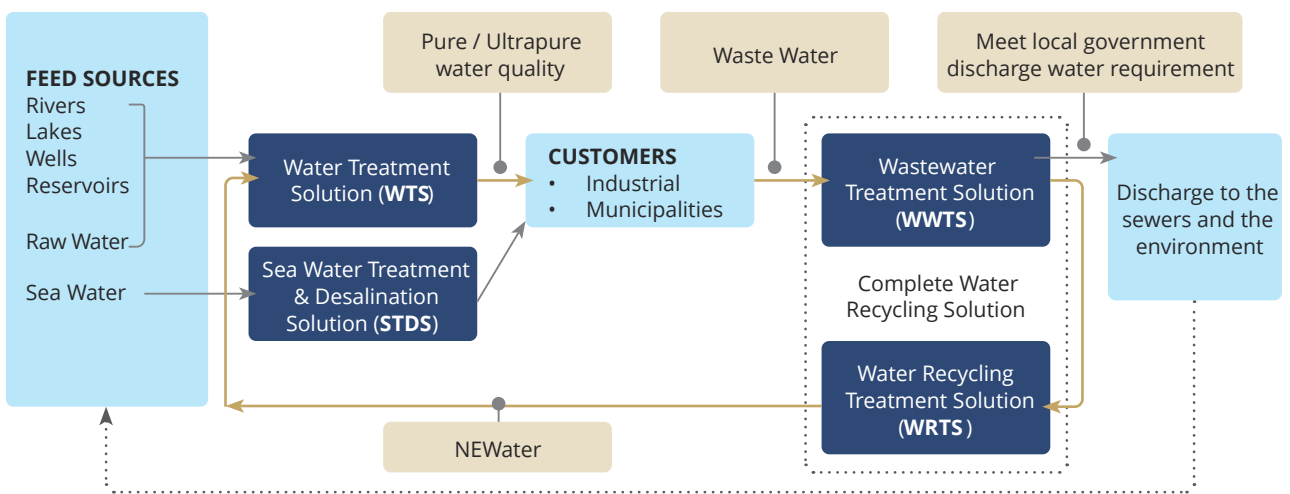
### Sales of Water

Provision of safe and clean water for public and private uses

# SUSTAINABILITY REPORT

## 1.4. NEAR NET ZERO DISCHARGE

As a one-stop water technology total solutions provider, Memiontec offers a Complete Water Treatment Solutions. Water from sources such as rivers and reservoirs are treated with our Water Treatment Solutions (“WTS”) to supply safe and clean quality water tailored to the customer’s needs and requirement. Our Wastewater Treatment Solution (“WWTS”) treats municipal and industrial wastewater to remove contaminants, producing effluent that complies with local discharge requirements. This effluent can be further treated with our Waste Recycling Treatment System (“WRTS”), to be used as a source of raw water for recycling and reuse, The whole process repeats itself, thus achieving near net zero discharge and improving sustainability while reducing environmental impact.



## 2. SUSTAINABILITY REPORTING FRAMEWORK

We have prepared this report in accordance with the latest Global Reporting Initiative (“GRI”) Standards. We adopt the GRI Standards for sustainability reporting due to the framework’s international recognition and widespread use by organisations globally, as well as the broad range of ESG topics and stakeholders it covers. Using the GRI Standards allows us to articulate Memiontec’s material environmental and social impacts clearly. We have also adopted the Sustainability Accounting Standards Board (“SASB”) Standards, which offer industry-specific sustainability standards covering issues that are reasonably likely to be financially material.

The SASB Standards for Engineering & Construction Services industry index can be found in Appendix D to this report.

This report is also prepared in accordance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX”) Listing Manual Section B: Rules of Catalyst (“Catalist Rules”) – Sustainability Reporting. In addition, we have integrated the UN SDGs into our reporting process to map our contributions to sustainable development.

# SUSTAINABILITY REPORT

## 2.1. REPORTING SCOPE

- The report highlights Memiontec's ESG performance for FY2023, covering the material ESG factors across the operations of the following key subsidiaries in the Group:

Key subsidiary	Country of operation
Memiontec Pte Ltd ("MPL")	Singapore
PT Memiontec Indonesia ("PTMI")	Indonesia
MIT Water Technology Chengdu Co. Ltd ("MITC")	China

- On occasions where data is incomplete or unavailable, we have provided disclosure with supporting explanations and rationales where required.
- For comparison, we have included the historical data for FY2021 and FY2022, unless stated otherwise. Our latest audited consolidated financial statements for FY2023 are available this Annual Report.
- There were no significant changes to the organisation's segments, value chain and other business relationships during the current reporting cycle.

## 2.2. REPORTING PRINCIPLES

- The material ESG topics are identified through a materiality assessment process using the GRI Standards 2021, detailed in Section 4.5 below. By applying the GRI principles, we determined the material topics on which to report. Disclosures include policies, practices, performance, and targets for each of the identified material ESG factors.
- Report quality has been guided by the GRI principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. Governance, environmental and social performance data is derived from our operations in Singapore, Indonesia and China, unless stated otherwise.

- All data presented in this report has been sourced from primary official records to ensure accuracy.
- We have used internationally accepted measurement units for all data to facilitate comparability.
- Financial figures are in Singapore dollars unless specified otherwise.

## 2.3. EXCLUSIONS

The ESG performances of other subsidiaries, joint ventures and operations of the Group have not been included in this report as they were considered not material due to insignificance of scale and operations. Performances of our suppliers and customers in our broad value chain are also excluded from this report as we do not have any operational control or access to their ESG data.

## 2.4. RESTATEMENTS

There was no restatement of information in the reporting period.

## 2.5. EXTERNAL ASSURANCE

We reviewed overall data collection process internally to ensure data quality and accuracy. We have not obtained external assurance for the sustainability information in this report.

## 2.6. AVAILABILITY

This report is contained within our Annual Report 2023, which available for download as a PDF document on our corporate website at the URL [www.memiontec.com](http://www.memiontec.com) as well as the SGX's website at the URL [www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements). A physical copy of the Annual Report 2023 will be available to shareholders of the Company upon request.

## 2.7. FEEDBACK

We value all feedback on the Report as we continuously strive to improve our reporting.

Please submit all feedback, questions and views of this report to: [irmr@memiontec.com](mailto:irmr@memiontec.com).

# SUSTAINABILITY REPORT

## 3. BOARD STATEMENT

As a total solutions provider of water and wastewater treatment services, Memiontec's work revolves around one of life's essentials and it is a responsibility we do not take lightly.

As the Group embark on its journey to becoming a more sustainable business, the board of directors of Memiontec (the "**Board**") will continue to work hard to deliver the desired outcomes in ESG for our customers, financial institutions, stakeholders and the communities, while upholding the highest standards of accountability and transparency.

The Board, supported by Chief Executive Officer of the Company, Audit Committee ("**AC**") and Sustainability Working Committee ("**SWC**"), considers sustainability issues as an integral part of its corporate strategy and determines the material ESG factors and oversees the management of these factors.

Sustainability of business and profitability are gaining traction as important considerations for Memiontec's business and operation strategies, as we seek to strike a balance between profit optimisation, stakeholders' relationships, impact on the environment and communities, and future investment in the business.

This sustainability report provides the information on how Memiontec identifies and manages its material ESG impacts that align to its vision and values, ultimately to create long-term sustainable fundamentals for the Group and its stakeholders. The Board has reviewed and endorsed this sustainability report.

Sustainability is at the heart of our business, we firmly believe in transforming water for a better world and life. Our people and the Company are committed to transforming water vis-a-vis protecting the environment, generate alternative sources of raw water and enabling communities' greater access to safe and clean water and sanitation through innovation and new technologies.

We are grateful for the opportunities to make positive contributions towards a sustainable economy and environment for future generations in Singapore and the regional markets that we operate in.

Working collaboratively with its customers, employees, partners, suppliers, finance institutions, regulators and others, it provides the Group with opportunities to become more sustainable in all aspects of our business and operation models.

After COVID-19 becomes endemic, ESG issues have taken on new forms and shapes, gaining significant attention with businesses' ESG performance becoming increasingly important considerations along with the concerted efforts towards Net Carbon Zero goal for financial institutions, investors, consumers and government agencies.

Sustainability is a continuous journey and we will continue to devote more of our time and resources to strengthen the integration of sustainability components into our business and operations by aligning our sustainability factors with organisational and value creation objectives.

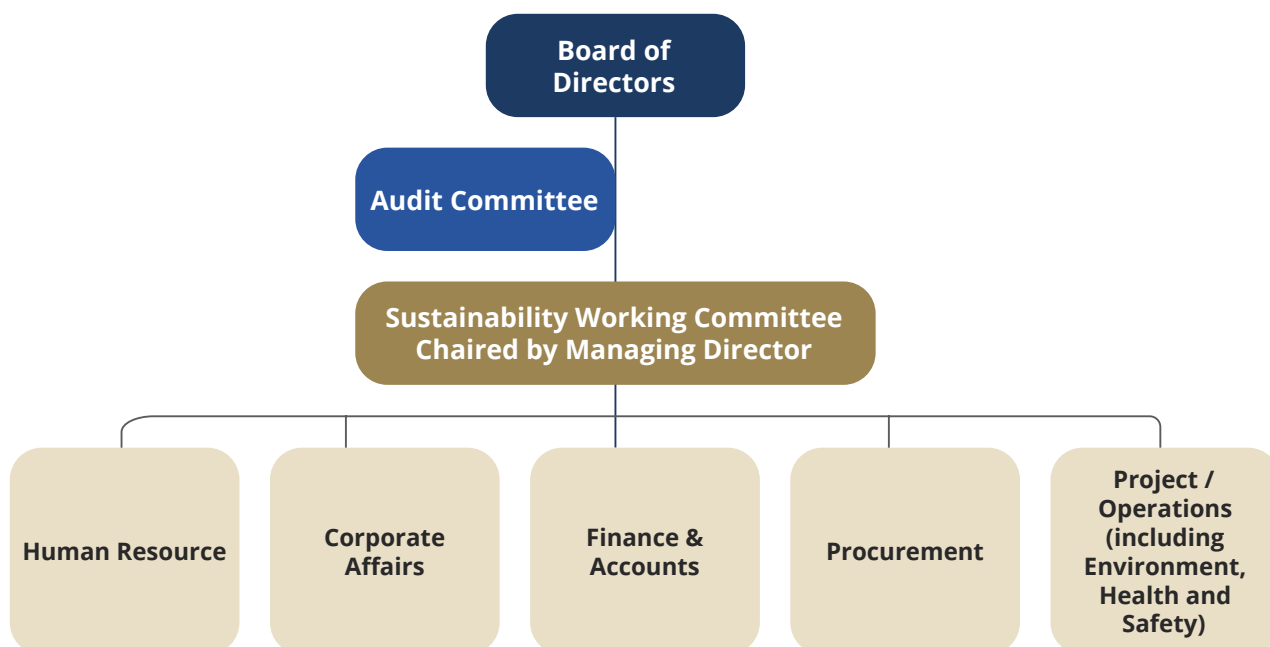
The Board would like to express our appreciation to our treasured stakeholders for being part of our sustainability efforts towards shaping a sustainable future and being a responsible corporate citizen that befits a good and reputable name "Memiontec" as a long-term solution partner for water.

## 4. OUR APPROACH

### 4.1. SUSTAINABILITY STRATEGY

Our sustainability strategy is in line with our core focus of our operations. It is to deliver safe, cost-effective and sustainable solutions to our customers, whilst protecting the environment. We strive to keep up with various relevant developments and innovations in the water industry whilst creating value across our material ESG Topics. We do so by understanding our stakeholders' expectations and being committed to upholding good corporate governance, reducing our negative environmental impacts and enhancing our positive impacts on the economy and our stakeholders.

## 4.2. SUSTAINABILITY GOVERNANCE



Our Board provides strategic oversight and direction for identifying, managing, and implementing material ESG factors, and considers ESG factors in the formulation of business strategy. The Board is responsible to review and approve the annual sustainability report of the Company. To keep abreast of the latest sustainable development trends and updates, all Board members have attended courses and training on ESG as at the time this report is published.

The SWC, chaired by the Managing Director of the Group and supported by the head of various departments as listed above, is responsible for ensuring that ESG factors and impacts are monitored and properly managed on an ongoing basis. SWC develops, manages, implements and monitors ESG strategy under the Board's supervision to address material sustainability risks and opportunities to create value for all stakeholders.

Comprising representatives from various functions and departments across the Company, SWC provides regular updates to the Board about the performance against established indicators and targets under material topics. SWC oversees the preparation of sustainability reports.

The AC assesses the Group's internal controls to ensure the accuracy and reliability of the sustainability information disclosed and evaluates the approaches towards metrics setting and ESG disclosure for sustainability reporting.

# SUSTAINABILITY REPORT

## 4.3. SUSTAINABILITY RISKS AND OPPORTUNITIES

We have put in place enterprise risk management and internal control systems, including financial, operational, compliance and information technology controls, which are detailed in formal instructions, standard operating procedures and financial authority limits policies. To manage our exposure to risks that are associated with the conduct of the business, we have put in place an Enterprise Risk Management framework. Our Board and senior management regularly review the risks, industry trends and regulatory updates. Together with our materiality assessment following the GRI Standards, our listed key risks and challenges help us identify our key material topics on an ongoing basis.




Topics	Risks and Challenges	Opportunities
<b>Innovations and technologies</b>	To continuously keep up with new developments and innovations in the water industry, and to meet ESG best practices	<ul style="list-style-type: none"> <li>To build propriety know-hows such as remote monitoring, automation and smart metering to drive both cost and operational efficiencies, which ultimately helps us to reduce our environmental impact</li> <li>To adopt newer technology that consumes lesser energy, leading to reduced carbon footprint</li> </ul>
<b>Compliance with applicable laws and regulations pertaining to occupational health and safety, and the environment</b>	To keep abreast and to ensure full compliance of the new laws and regulations applicable to the Company and the Group	<ul style="list-style-type: none"> <li>To comply with applicable Quality, Environment, Health and Safety (“QEHS”) standards, legal and other requirements</li> <li>To continuously improve QEHS performance through monitoring and review of set objectives and targets</li> </ul>
<b>Climate change</b>	To understand and respond to policy, legal, and market changes in response to climate change	<ul style="list-style-type: none"> <li>To start disclosing our sustainability strategies, targets and performances with our stakeholders</li> <li>Changing customers’ expectations and demands for more sustainable services and solutions</li> <li>To develop policies and procedures to reduce greenhouse gas emission and carbon footprint</li> <li>To provide a greater access to safe and clean water and sanitation in line with the SDG 6 “Clean water and sanitation for all”</li> </ul>
<b>Talent management, including diversity consideration</b>	To attract and retain experienced talent under the tight supply of engineers	<ul style="list-style-type: none"> <li>To attract, retain and grow professionals who are passionate and share the same values and enthusiasm in growing the business</li> <li>To make more efforts to groom and train more young people into the business at the start of their careers through fair employment practices</li> <li>To create an inclusive culture in workplace that considers gender diversity and women representation to encourage positive outcomes</li> </ul>








## 4.4. STAKEHOLDER ENGAGEMENT

Our stakeholders comprise of individuals or groups who are affected by Memiontec’s activities or those who have the potential to impact or influence our performance. Understanding their expectations and engaging them on an ongoing basis allow us to determine our strategic priorities, evaluate our approach towards the stakeholders and make informed decisions on ESG material topics.

With these purposes in mind, we conducted stakeholder mapping exercise to identify our key stakeholders across the company’s value chain. This process was based on GRI’s key concepts and the approach to stakeholder engagement. The internal stakeholders, including the senior management, provided their insights based on their experience of engaging respective stakeholders and their understanding of stakeholder expectations in arriving at the list. We seek to ensure meaningful engagement with stakeholders through a wide range of ongoing communication channels.

Stakeholders	Method of Engagement	Stakeholder’s Expectations	Our Responses
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Annual performance appraisals</li> <li>Staff orientation</li> <li>Festive celebrations</li> <li>Ad-hoc gathering</li> <li>Training &amp; Coaching</li> <li>Safety moments</li> </ul>	<ul style="list-style-type: none"> <li>Benefits and rewards</li> <li>Work-life balance</li> <li>No gender biasness</li> <li>Personal growth, learning and development</li> <li>Occupational health and safety (“OHS”)</li> </ul>	<ul style="list-style-type: none"> <li>Improved employee welfare and benefits</li> <li>Robust OHS systems</li> <li>Fair employment and equal opportunities</li> <li>Strengthening capabilities through training and development</li> <li>Growing digital readiness</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>On-going communication via various channels (telephone calls / emails)</li> <li>Project progress periodic meetings</li> <li>Customer satisfaction survey</li> <li>Tenders</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Meeting contractual specifications (quality, time and performance)</li> <li>Delivering quality plants to help customers fulfil their ESG targets</li> <li>Meeting strict safety standards at work</li> </ul>	<ul style="list-style-type: none"> <li>Minimum ‘satisfactory’ feedback for completed projects from customers on Building and Construction Authority (“BCA”) portal</li> <li>Project completion within budget and time</li> <li>Striving to receive zero negative feedback</li> <li>Targeting zero liquidated damages</li> </ul>
<b>Government Agencies / Regulators</b> 	<ul style="list-style-type: none"> <li>Government websites</li> <li>Regulation updates via training and seminars</li> <li>Correspondences</li> </ul>	<ul style="list-style-type: none"> <li>Good corporate governance</li> <li>Compliance with applicable laws and regulations</li> <li>Ethics and integrity</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Full compliance with Catalyst Rules for transparent reporting</li> <li>Independent whistle-blowing platform for reportable incidents</li> <li>Targeting zero corruption incident</li> </ul>

# SUSTAINABILITY REPORT

Stakeholders	Method of Engagement	Stakeholder's Expectations	Our Responses
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>• Corporate roadshow</li> <li>• General meetings</li> <li>• Annual reports</li> <li>• SGXNet portal</li> <li>• Press release</li> <li>• Corporate website</li> <li>• Designated Investor Relations Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent reporting of financial information</li> <li>• Good financial performance</li> <li>• Financial returns such as return on investments and dividends</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate updates through corporate presentation and roadshows</li> <li>• Full compliance with Catalist Rules for transparent reporting</li> <li>• Dividend payout</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Project progress periodic meetings with key subcontractors</li> <li>• Site visits</li> <li>• Supplier evaluation</li> <li>• Tenders</li> <li>• Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Smooth open communication, dealing and delivery throughout</li> <li>• Fair competition</li> <li>• Anti-corruption</li> <li>• Adherence to agreement terms</li> <li>• Meeting timely payment obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Performance monitoring and improve efficiency throughout supply chain</li> <li>• Compliance with code of conduct, fair competition, anti-corruption and bribery</li> <li>• Performing periodic supplier evaluation and update Approved Vendor List</li> </ul>
<b>Communities / Public</b> 	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Internship opportunities</li> <li>• Local employment</li> </ul>	<ul style="list-style-type: none"> <li>• No negative environmental and social impacts</li> <li>• Job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Fair employment</li> <li>• Compliance with health and safety, environment regulations</li> <li>• Internship offers to students</li> </ul>
<b>Banks / Financiers</b> 	<ul style="list-style-type: none"> <li>• Corporate roadshow</li> <li>• Regular meetings</li> <li>• Annual reports</li> <li>• SGXNet portal</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and truthful financial information</li> <li>• Compliance with bank covenants</li> <li>• Repayment obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with bank covenants</li> <li>• Meet repayment obligations</li> </ul>
<b>Business partners</b> 	<ul style="list-style-type: none"> <li>• Strategic business planning meetings with joint venture partners</li> </ul>	<ul style="list-style-type: none"> <li>• Plant operation management</li> <li>• Financial management</li> <li>• Marketing strategy and plan</li> </ul>	<ul style="list-style-type: none"> <li>• Improve business and investment performance</li> <li>• Forge long-term bond</li> </ul>

## 4.5. MATERIALITY ASSESSMENT

Our materiality assessment has been conducted based on GRI's guidance on the process to determine material topics, including understanding the organisation's context, identifying actual and potential, negative and positive impacts on the economy, environment, and people, and assessing significance of these impacts. The internal stakeholders, including the senior management, provided their views and insights which informed the identification and assessment of the impacts. Subsequently, most significant impacts have been prioritised. All identified material topics have been reviewed and validated by our consultants.

Step 1	Step 2	Step 3	Step 4
Understand the organization's context	Identify actual and potential impacts	Assess the significance of the impacts	Prioritize the most significant impacts for reporting

The assessment also took into consideration the GRI Reporting Principles, GRI topic-specific standards, and UN SDGs. The table below provides the list of material topics determined.

MATERIAL TOPICS		
Material Topics	Management Approach	Our Targets
<b>ECONOMIC</b>		
Economic Performance	<ul style="list-style-type: none"> <li>To create economic value to our stakeholders sustainably</li> </ul>	<ul style="list-style-type: none"> <li>To achieve budgeted net profits</li> </ul>
Indirect Economic Impacts	<ul style="list-style-type: none"> <li>To maximise our positive impact in the community through our projects, by help providing access to safe and clean water and treating wastewater</li> </ul>	<ul style="list-style-type: none"> <li>To execute or complete at least 3 TSEPC projects at municipal and industrial sectors</li> </ul>
Procurement Practices	<ul style="list-style-type: none"> <li>To contribute positively to the local economy</li> <li>Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>To achieve at least 50% of spending on local suppliers</li> </ul>
<b>ENVIRONMENT</b>		
Greenhouse Gas Emissions	<ul style="list-style-type: none"> <li>To reduce our carbon intensity through internationally recognised environmental management standards</li> <li>Environmental and Climate Change Policy</li> <li>QEHS Management System and Policy</li> </ul>	<ul style="list-style-type: none"> <li>To keep greenhouse gas emissions intensity within 0.55kg CO<sub>2</sub> per labour hour</li> </ul>
Energy	<ul style="list-style-type: none"> <li>To conserve energy through various energy saving initiatives</li> <li>Environmental and Climate Change Policy</li> <li>QEHS Management System and Policy</li> </ul>	<ul style="list-style-type: none"> <li>To keep energy consumption intensity within 7.0 MJ per labour hour</li> </ul>
Water and Effluents	<ul style="list-style-type: none"> <li>To promote water conservation through continued communication and engagement with our stakeholders</li> <li>Environmental and Climate Change Policy</li> <li>QEHS Management System and Policy</li> </ul>	<ul style="list-style-type: none"> <li>To keep water withdrawal within 2.50ML</li> </ul>

# SUSTAINABILITY REPORT

MATERIAL TOPICS		
Material Topics	Management Approach	Our Targets
<b>SOCIAL</b>		
Employment	<ul style="list-style-type: none"> <li>To attract and retain employees through merit-based and fair employment practices</li> <li>Group Diversity and Inclusion Policy</li> </ul>	<ul style="list-style-type: none"> <li>To achieve less than 35% turnover rate</li> </ul>
Occupational Health and Safety	<ul style="list-style-type: none"> <li>To provide a safe working environment</li> <li>To eliminate hazards and reduce occupational health and safety risks</li> <li>To prevent ill health and injury at workplace</li> <li>QEHS Management System and Policy</li> </ul>	<ul style="list-style-type: none"> <li>To maintain zero fatalities</li> </ul>
Training and Education	<ul style="list-style-type: none"> <li>To provide training programmes based on the needs of the individual employees</li> <li>Training Course Procedures</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours of 8 hours per employee</li> </ul>
Non-discrimination	<ul style="list-style-type: none"> <li>To recruit, promote, reward, and provide career advancement and development opportunities without discrimination</li> <li>Human Rights Policy</li> </ul>	<ul style="list-style-type: none"> <li>To maintain no incidents of discrimination</li> </ul>
Customer Health and Safety	<ul style="list-style-type: none"> <li>To fully comply with product health and safety regulations and codes</li> <li>QEHS Management System and Policy</li> <li>Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>To maintain zero incidents of non-compliance with regulations and/or voluntary codes</li> <li>concerning the health and safety impacts of our products and services</li> </ul>
<b>GOVERNANCE</b>		
Anti-corruption	<ul style="list-style-type: none"> <li>To uphold the highest standards of professional conduct and accountability</li> <li>Group Anti-bribery and Corruption Policy</li> <li>Code of Business Conduct</li> <li>Whistleblowing Policy and Procedure</li> </ul>	<ul style="list-style-type: none"> <li>To maintain zero incidents and public cases concerning corruption.</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>To embrace diversity at workplace in line with Singapore's Tripartite Guidelines</li> <li>To achieve board diversity in line with regulatory requirement</li> <li>Board Diversity Policy</li> <li>Group Diversity and Inclusion Policy</li> </ul>	<ul style="list-style-type: none"> <li>To maintain the percentage of female employees between 20% - 35% to achieve a more balanced workforce in the office-based job categories</li> </ul>
Regulatory compliance	<ul style="list-style-type: none"> <li>To comply with all applicable laws and regulations</li> <li>To have in place Environmental and Climate Change Policy</li> <li>To have in place a QEHS Management System and Policy</li> </ul>	<ul style="list-style-type: none"> <li>To maintain zero incidents of non-compliance</li> <li>To have in place policy relating to identify and mitigate climate-related issues in compliance with Catalyst Rules by the next reporting cycle</li> </ul>

# SUSTAINABILITY REPORT

## 4.6. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda and its Sustainable Development Goals focus global efforts and attention on 17 pressing issues. The private sector can play a critical role in providing practical solutions that can contribute to solving these challenges while also generating new business opportunities. Memiontec is committed to this meaningful pursuit of sustainable development. We have integrated the SDGs into our sustainability strategy and reporting process to reflect our contribution to sustainable development.

Material ESG Topics	SDGs Supported	Material ESG Topics	SDGs Supported
Indirect Economic Impacts	  	Employment	  
Procurement Practices		Occupational Health and Safety	  
GHG Emissions	    	Training and Education	   
Energy	   	Non-discrimination	 
Water and Effluents		Local Communities	  
Waste	    	Customer Health and Safety	
		Anti-corruption	
		Diversity	 

# SUSTAINABILITY REPORT

## 5. GOVERNANCE

At Memiontec, we believe that good corporate governance and transparency form a foundation of the company's long-term sustainability. Memiontec upholds the highest standards of professional conduct and accountability, and we align our standard of corporate conduct with the guidance of the Singapore Code of Corporate Governance 2018. We are guided by key policies and processes that are applicable and communicated to all employees. Please refer to our Corporate Governance Report set out in our Annual Report 2023 for more details.

### 5.1. ANTI-CORRUPTION

We are committed to conducting our business with integrity and honesty. In line with our commitment to anti-corruption, we have established a number of relevant policies, which apply to our Board, Management, employees, suppliers and stakeholders across our operations.

#### **Code of Business Conduct and Ethics**

The Code of Business Conduct and Ethics details employees' responsibilities on proper practices concerning bribery and corruption issues and provides a guidance on a wide range of issues relating to legal compliance, fair dealing, equal opportunities, human rights, workplace health and safety, conflicts of interest and ethical behaviours.

#### **Group Anti-bribery and Corruption Policy**

The Group Anti-bribery and Corruption Policy sets out anti-bribery compliance framework, management systems and standards. It requires strict compliance with all applicable national and international laws, including all anti-bribery laws, company regulations and ISO 37001 Anti-Bribery Standards.

#### **Supplier Code of Conduct**

Under the Supplier Code of Conduct, suppliers must ensure they do not engage in any form of corruption, bribery, facilitation payments or fraud. Memiontec also prohibits anyone from engaging in bribery and corruption on our behalf.

#### **Whistle Blowing Policy**

The Whistle Blowing Policy provides a framework to promote responsible and secured whistleblowing without fear of adverse consequences. The policy sets out procedures for a whistle blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers in confidence and in good faith, without fear of reprisal, discrimination or adverse consequences. All our employees including full-time, part-time and contract employees, and third parties such as suppliers, customers, contractors and other stakeholders, may use the procedures set out in the policy to report any concern or complaint regarding reportable incidents for whistle blowing.

We are pleased to report the following for FY2023:

- i. there were no confirmed incidents and public legal cases related to corruption;
- ii. no employees at Memiontec have been dismissed or disciplined for corruption; and
- iii. no contracts with business partners were terminated or not renewed due to violations related to corruption.

Our target is to maintain zero track record for the abovementioned points.

## 5.2. REGULATORY COMPLIANCE

Memiontec strives to operate in full compliance with all applicable economic, social and environmental laws in all our operations. During FY2023, there were no significant incidents of significant fines or non-monetary sanctions for non-compliance with laws or regulations. Our target is to maintain zero significant incidents of significant fines or non-monetary sanctions for non-compliance with laws or regulations. More information on our commitment to environmental compliance and customer health and safety compliance can be found in section 7.4 and section 8.7 of this report respectively.

## 6. ECONOMIC

### Material Topics and SDG Goals

- Indirect Economic Impacts
- Procurement Practices



Material Topic	FY2023 Target	FY2023 Performance	FY2024 Target
Indirect Economic Impacts	To achieve higher than 2022 budgeted net profits	Target not met – Net profits below budget	To achieve budgeted FY2024 net profits
Indirect Economic Impacts	To execute or complete at least 3 TSEPC projects at municipal and industrial sectors	Target met – Completed 9 TSEPC projects at municipal and industrial sectors	To execute or complete at least 3 TSEPC projects at municipal and industrial sectors
Procurement Practices	To achieve at least 50% of spending on local suppliers	Target met – 82% spending on local suppliers	To achieve at least 50% of spending on local suppliers

# SUSTAINABILITY REPORT

## 6.1. ECONOMIC PERFORMANCE

Good economic performance and continued value creation for our stakeholders are essential to our business. They are also primary concerns for our investors and shareholders. Detailed disclosure of our financial performance is provided in the financial section of this Annual Report.

The following is a summary of the direct economic value, in relation to the key subsidiaries and other subsidiaries, joint ventures and other ventures of the Group, generated and distributed in FY2023 in comparison with previous years.

Financial Year (\$'m)					
	Economic performance indicators	Payment to	FY2021	FY2022	FY2023
1	Revenue (Economic value generated)	N/A	45.6	42.8	66.9
2	Cost of goods sold <sup>1</sup>	Suppliers	35.2	29.7	52.1
3	Profit before income tax	N/A	2.1	3.5	3.9
4	Total operating expenses <sup>2</sup>	Other suppliers	1.9	2.9	2.9
5	Employee wages and benefits	Employees	6.6	6.6	7.6
6	Tax expenses	Government	0.5	0.9	0.7
7	Finance costs	Bankers	0.1	0.1	0.1
8	Dividends declared to shareholders	Shareholders	0.5	0.8	1.3
9	Total economic value distributed	Items 2 and 4 - 8	44.8	40.9	64.7

1 Excluding employee wages and benefits recorded under cost of goods sold.

2 Excluding depreciation expense and employee wages and benefits recorded under general and administrative expenses.



## 6.2. INDIRECT ECONOMIC IMPACTS

With rising water-related issues across Asia, we remain committed to our direct involvement in developing of water treatment infrastructure investments and services for municipals around the region. Beyond creating job opportunities for each project we deliver, we aim to maximise our positive impact through our main businesses, which ultimately help to provide safe and clean water to the community.

Our key municipal water projects that are carried out in Singapore and Indonesia in FY2023 are listed below:

	Singapore Water Projects	Indonesia Water Projects
Completed TSEPC	<ul style="list-style-type: none"> <li>Mandai Zoo - Penguin Exhibit (animal life support system)</li> <li>Kranji NEWater Factory (replacement of microfiltration and RO membranes)</li> </ul>	<ul style="list-style-type: none"> <li>Palembang City Sewage Treatment Plant</li> <li>Pekan Baru Water Supply Plant</li> <li>Makassar Wastewater Treatment Plant</li> <li>Jambi Wastewater Treatment Plant</li> </ul>
Ongoing TSEPC	<ul style="list-style-type: none"> <li>Jurong Island Sewage Treatment Plants (replacement of mechanical equipment)</li> <li>Deep Tunnel Sewerage System Phase 2 (odour control and air jumper facilities)</li> <li>Changi Water Reclamation Phase 2 Contract C22C (MBR Plant)</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation of Oloboju Water Treatment Plant</li> <li>Adaro Relocation Intake Project</li> <li>Tarjun Water Treatment Plant</li> <li>FOI Waste Water Treatment Plant</li> <li>Suralaya Waste Water Treatment Plant</li> </ul>
On-going BOOT / TOOT	Not applicable	<ul style="list-style-type: none"> <li>Hutan Kota Water Supply Plant (Jakarta)</li> <li>Pekan Baru Water Supply Plant (Pekan Baru)</li> <li>Waduk Pluit Water Supply Plant (Jakarta)</li> </ul>
Positive ESG impacts enjoyed by our TSEPC clients	<p>(a) Support customers in achieving UN General Assembly's SDG Goal 6 <i>Clean Water and Sanitation</i>.</p> <p>(b) Reduce customers' carbon footprint through the use of new water treatment technology to lower greenhouse emission. For example:</p> <ul style="list-style-type: none"> <li>» Using water treatment equipment with lower energy or lesser chemical consumption to improve operational efficiency.</li> <li>» Explore water treatment process to reduce the volume of sludge generated as a by-product of the treatment process, or consider ways to recycle wastes.</li> </ul>	

# SUSTAINABILITY REPORT

## 6.3. PROCUREMENT PRACTICES

Our economic impact occurs across our value chain as we work with a number of suppliers and contractors. Suppliers are selected based on a set of evaluation criteria including price, quality, delivery, safety performance and financial stability of the company.

In FY2023, 82% of procurement were from suppliers local to that operation. Our target is to achieve at least 50% of spending on local suppliers.

	FY2021	FY2022	FY2023
% from local suppliers	62	68	82

We engage our suppliers through various channels including project progress meetings, site visits, supplier evaluation and corporate website. Memiontec is committed to being a fair client and strives to address the suppliers' expectations through adherence to agreement terms and timely payment. At the same time, we outline our expectations on quality delivery of the suppliers' products and monitor their performance to improve efficiency in work processes throughout our supply chain. All of our suppliers and contractors must adhere to our requirements regarding quality, environment and health and safety standards, as well as the principles of our Code of Business Conduct. Under our Supplier Code of Conduct, we expect our suppliers to abide by the principles we uphold including anti-bribery and corruption, fair competition, conflict of interest, and private and intellectual property. Our expectations also include respect for all human rights, including labour rights, throughout their business activities, prevention and management of health and safety risks associated with the activities, products and services, and minimising their impact on the environment. In line with our commitment to embed sustainability along our value chain, we are currently formalising inclusion of a comprehensive set of social and environmental related criteria in vendor screening and evaluation process for key vendors.

## 6.4. PRODUCT AND SERVICE QUALITY

Operating in Asia's water industry for more than 30 years, ensuring excellent product and service quality is amongst our top priorities. We obtained ISO9001 for our operations in Singapore and Indonesia to ensure our commitment to quality is embedded across our operations. We strive to meet contractual specifications on quality, time, and performance and help our customers fulfil their own environmental targets through high quality products and strict safety standards at each project site.

To meet these objectives, we have ongoing communication with our customers via regular meetings, emails and telephone calls. We also obtain customer satisfaction feedback to evaluate our performances.

Our targets are to achieve minimum 'satisfactory' feedback from the customers for completed projects and to maintain zero liquidated damages. In FY2023, 100% of our customers for projects completed expressed 'satisfactory' or above "satisfactory" through customer survey. There was also no substantial liquidated damage claim made by our customers in our construction projects.

## 7. ENVIRONMENT

### Material Topics and SDG Goals

- Climate Change - Energy
- Climate Change - GHG Emissions
- Climate Change - Water and Effluents



Climate change has profound implications for both society and business. Environmental sustainability has always been a core to our business of providing both safe and clean water and served as a guiding principle for our products and services. We have not included climate-related disclosures that are aligned with the recommendations of Task Force on Climate-related Financial Disclosures in this report. We are adopting a progressive strategy and committed to managing these risks and capitalizing on opportunities that are aligned

with our sustainability goals and will provide further details on our plans to address climate-related risks in the next reporting year.

We proactively implement and review our processes to promote the sustainable use and management of resources such as energy, water and waste. Both our TSEPC and OMS operating companies, MPL and PTMI, are ISO14001 certified. This means that we have put in place various environmental operation control procedures, which set out clear directions to ensure proper control measures across these companies. These procedures cover a wide range of environmental topics such as air pollution, chemical handling, waste management, vector control, noise pollution, chemical spillage, and ozone depletion.

At Memiontec, we recognize the importance of conveying our values to stakeholders as a means of making a difference. As part of our efforts to promote sustainability, we actively encourage recycling at our corporate offices by consistently promoting the 3R principle - Reduce, Reuse, and Recycle amongst our employees.

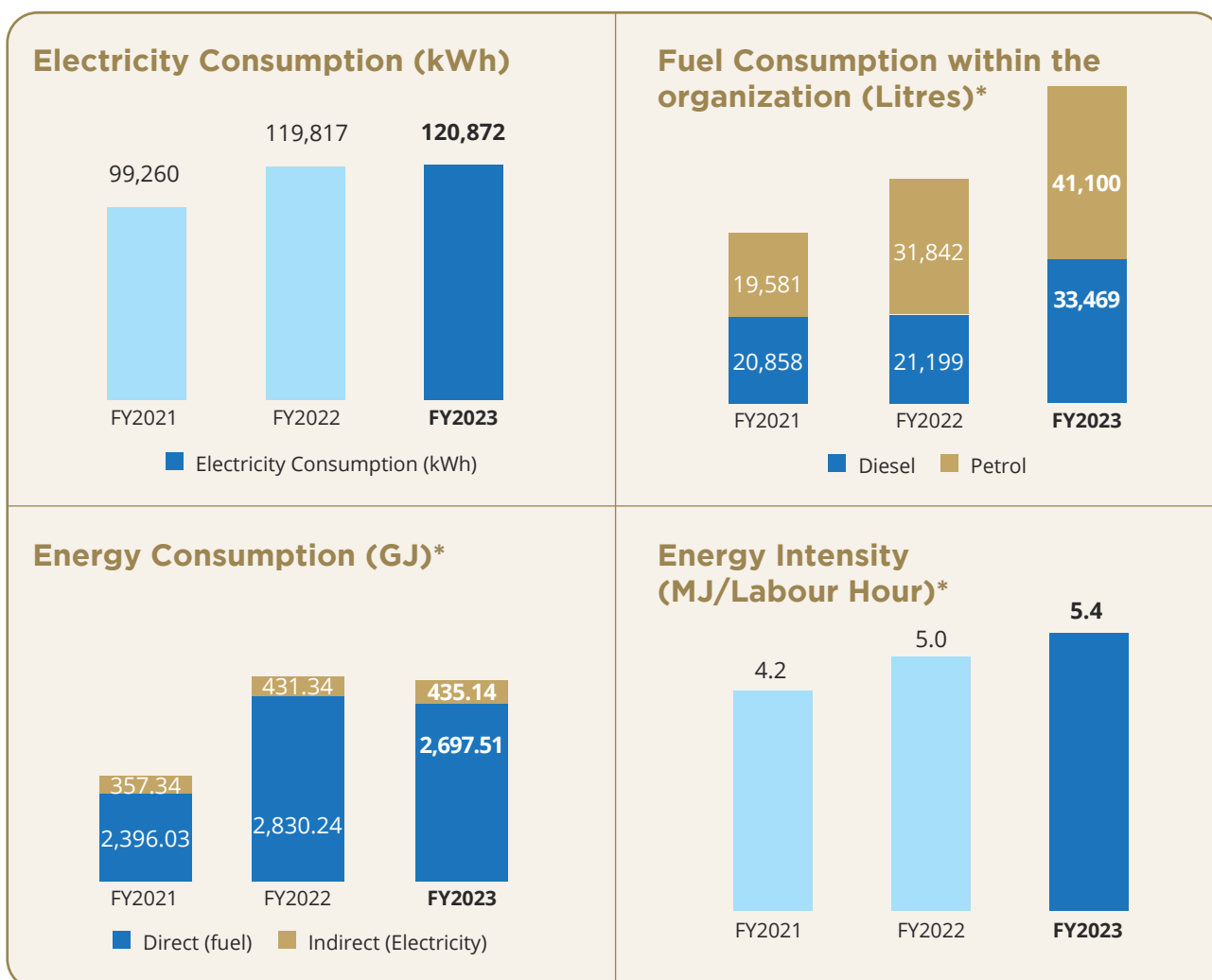
A general overview of our planned environmental targets are:

Material Topic		FY2023 Target	FY2023 Performance	FY2024 Target
Energy Consumption	Intensity (MJ per labour hour)	Below 7.0	Target met - 5.4	Below 7.0
Greenhouse Gas Emissions	CO2 Intensity (kg per labour hour)	Below 0.55	Target met - 0.44	Below 0.55
Water withdrawal	Withdrawal (ML)	Below 2.50	Target met - 1.85	Below 2.50
Environmental compliance	Number of incidents	To maintain no incidents of environmental non-compliance	Target met - No incidents of non-compliance	To maintain no incidents of environmental non-compliance

# SUSTAINABILITY REPORT

## 7.1. CLIMATE CHANGE - ENERGY

In FY2023, our total electricity consumption was 120,872 kWh as compared with 119,817 kWh in the previous year. The total amount of diesel consumed was 33,469 litres, which represents the consumption from our company vehicles and generator set, while the total amount of petrol consumed was 41,100 litres from the company vehicles. As such, total energy consumption in our Singapore and Indonesia during FY2023 was 3,132.7 gigajoules (GJ). Energy intensity was 5.4 megajoules (MJ) per labour hour in FY2023 compared with 5.0 MJ\* per labour hour in FY2022. We explore various ways to improve our energy efficiency. For example, we explore turning to clean, renewable energy by installing solar panels in some of our jointly-owned water treatment plants in Indonesia.



\* Restated 2021 and 2022 figures by removing fuel consumption for projects in our computations so as to obtain an accurate comparison year on year as fuel consumption for projects fluctuate with activity.

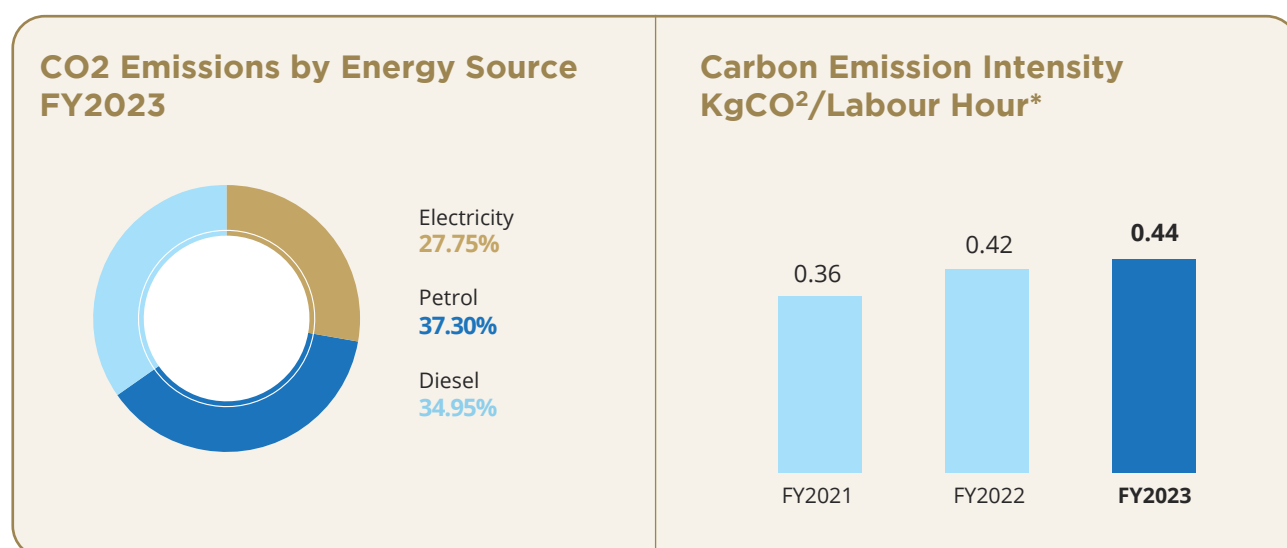
## 7.2. CLIMATE CHANGE - EMISSIONS

Carbon emissions at Memiontec mainly come from our consumption of electricity and fuel consumption from motor vehicles and equipment. We use the globally recognised GHG Protocol guidelines to measure and disclose our carbon emissions, currently reporting Scope 1 and Scope 2 emissions that refer to fuel consumption and purchased electricity, respectively.

Carbon Emissions Summary <sup>1</sup> (tCO <sub>2</sub> )			
	FY2021	FY2022	FY2023
<b>Direct (Scope 1) GHG emissions</b>			
Mobile Combustion	101.2	130.6	184.9
<b>Energy indirect (Scope 2<sup>2</sup>) GHG emissions</b>			
Purchased Electricity	54.8	66.8	71.0
<b>Total Carbon Emissions</b>	<b>156.0*</b>	<b>197.4*</b>	<b>255.9</b>

1 The data covers MPL and PTMI.

2 The GHG emission factors are from Energy Market Authority - Singapore Energy Statistics and Climate Transparency (2021 report - Indonesia).



\* Restated 2021 and 2022 figures by removing fuel consumption for projects in our computations so as to obtain an accurate comparison year on year as fuel consumption for projects fluctuate with activity.

# SUSTAINABILITY REPORT

## 7.3. CLIMATE CHANGE - WATER MANAGEMENT

Our main usage of water is due to office and project site consumption, and the water is sourced from the local public utility. We continuously engage our stakeholders to advocate water conservation. Our water data are recorded from our subsidiaries in Singapore and Indonesia. During FY2023, our water withdrawal was 1.85 megalitre (ML).

	FY2021	FY2022	FY2023
Total Water Withdrawal (ML)	2.43	1.56	1.85

## 7.4. ENVIRONMENTAL COMPLIANCE

Environmental compliance in water treatment development projects is crucial for promoting sustainable development of a country. We are committed to complying with all applicable environmental laws and regulations. In FY2023, there were no cases of non-compliance with the relevant environment laws and regulations.

## 8. OUR PEOPLE

### Material Topics and SDG Goals

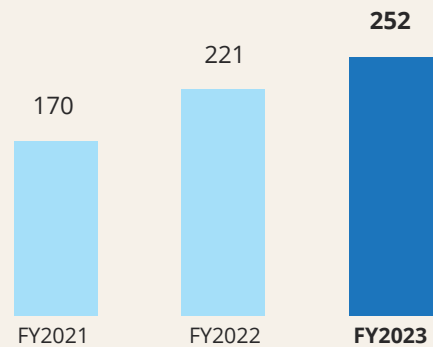
- Employment
- Occupational Health & Safety
- Training and education
- Non-discrimination



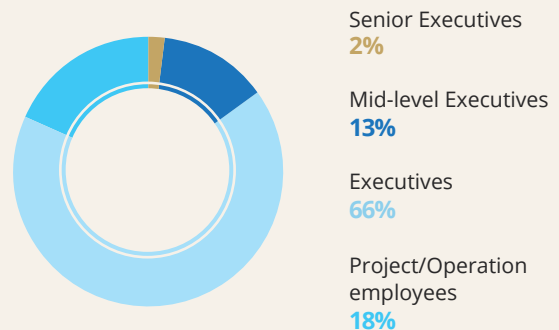
Memiontec has been growing steadily and rapidly over the last 5 years with an average CAGR of 22.3% from 2018 to 2023. The rapid growth has resulted in an increase of headcount of 14% of the Group from the previous year to a total of 252 employees as at 31 December 2023.

There were 191 male employees and 61 female employees. There were 116 employees in Singapore, 126 employees in Indonesia and 10 employees in China respectively.

### Number of Full-Time Employees

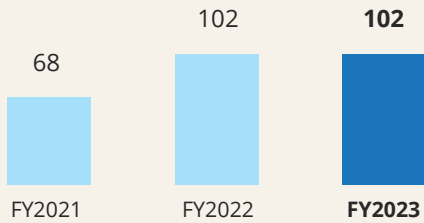


### Employees by Category FY2023

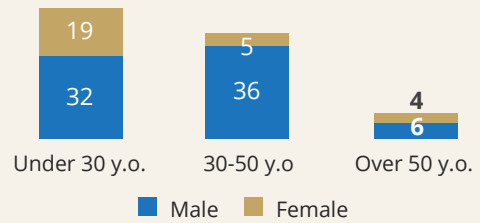


# SUSTAINABILITY REPORT

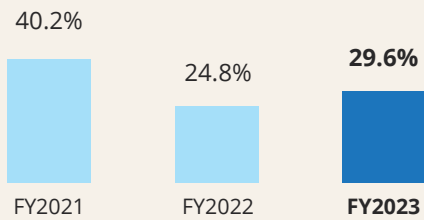
## New Hires



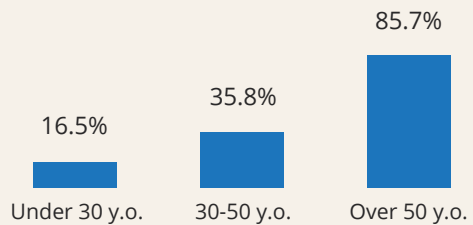
## New Hires by Age and Gender FY2023



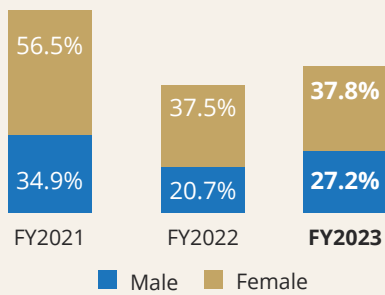
## Employee Turnover Rate



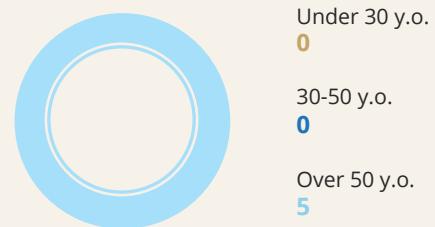
## Turnover by Age Group FY2023



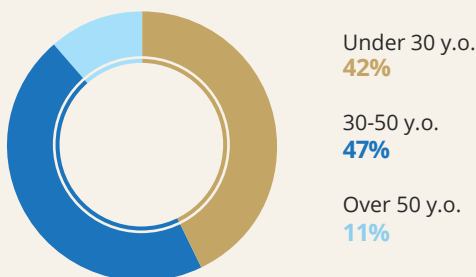
## Employee Turnover Rate by Gender



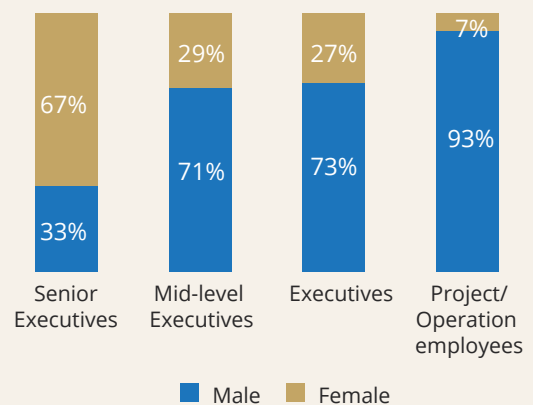
## Diversity by Age FY2023 (Governance Body)



## DIVERSITY BY AGE FY2023 (All employees)



## GENDER DIVERSITY BY EMPLOYMENT CATEGORY FY2023



# SUSTAINABILITY REPORT

Our people are a core and critical part of our business. We endeavour to attract, retain, and inspire talent to grow with us and our business together. In addition to our search for professional managers, engineers, technicians and executives who are experienced, we are also focused on seeking and training talented young professionals who are starting their career journey.

Our policy on human resource embraces diversity and emphasises on attracting and retaining employees through fair employment practices. It also promotes a safe and healthy working environment. The policy is translated into a wide range of initiatives, training programmes and benefits aimed at our employee's well-being.

Material Topic	FY2023 Target	FY2023 Performance	FY2024 Target
Employment	35% turnover rate	Target met – 30% turnover rate	35% turnover rate
Non-discrimination	To maintain no incidents of discrimination	Target met – No incidents of discrimination	To maintain no incidents of discrimination
Women Empowerment and Gender Diversity	To maintain the percentage of female employees between 20% - 35% to achieve a more balanced workforce in the office-based job categories	Target met – Percentage of female employees: <ul style="list-style-type: none"> <li>• Total global workforce – 24%</li> <li>• Senior management – 33%</li> <li>• Board – 20%</li> </ul>	To maintain the percentage of female employees between 20% - 35% to achieve a more balanced workforce in the office-based job categories
Training and education	8 hours of training per employee	Target met - 8.6 hours of training per employee	8 hours of training per employee
Occupational Health and Safety	No fatalities	Target met – No fatalities	No fatalities
Customer Health and Safety	To maintain no incidents of non-compliance	Target met – no incidents of non-compliance	To maintain no incidents of non-compliance



## 8.1. EMPLOYMENT

The following tables provides an overview of our employment.

Our Employees in FY2023								
	Singapore		Indonesia		China		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
(a) Full time / part time employment:								
- Full-time employees	87	29	99	27	5	5	191	61
- Part-time employees	2	1	0	0	0	0	2	1
<b>Total</b>	<b>89</b>	<b>30</b>	<b>99</b>	<b>27</b>	<b>5</b>	<b>5</b>	<b>193</b>	<b>62</b>
(b) Permanent / Temporary / Fixed Term:								
- Permanent employees	89	29	27	9	5	5	121	43
- Temporary employees	0	0	1	3	0	0	1	3
- Fixed-term contract employees	0	1	71	15	0	0	71	16
<b>Total</b>	<b>89</b>	<b>30</b>	<b>99</b>	<b>27</b>	<b>5</b>	<b>5</b>	<b>193</b>	<b>62</b>

During FY2023, Memiontec hired 102 new employees across all our operations whilst 71 employees left employment. Despite the increase in overall turnover rate from 24.8% in FY2022 to 29.6% in FY2023, it is still below our target of 35%. Turnover rate in our operations in Singapore, Indonesia and China was 54.2%, 5.1% and 40.0% respectively. Our target for FY2024 is to achieve less than 35% turnover rate.

New Hiring	Singapore	Indonesia	China	Total
FY2023	74	24	4	102
FY2022	55	47	0	102
FY2021	44	19	12	75

## 8.2. NON-DISCRIMINATION

Our Human Rights Policy defines our responsibility to ensure the highest respect for human rights and the Company's expectations of our employees. We understand the importance of and impact of human rights on our businesses, the communities in which we operate, and society at large. Memiontec respects the spirit of the United Nations Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and United Nations Guiding Principles on Business and Human Rights. Forced labour, child labour, harassment and discrimination are strictly prohibited at all our operations. We have established formal grievance mechanisms. In case of any violation of human rights, we undertake remediation, in line with our grievance handling processes.

We recruit, promote, reward, and provide career advancement and development opportunities without discrimination on the basis of age, race, gender, sexual orientation, religion, family or marital status. No incidents of discrimination have been reported during FY2023 and we aim to maintain zero incidents of discrimination for FY2024.

# SUSTAINABILITY REPORT

## 8.3. DIVERSITY AND EQUAL OPPORTUNITIES

We endorse Singapore’s Tripartite Guidelines and embrace diversity at workplace and believe that our different backgrounds, skills and knowledge collectively bring value to the table. We recognise our responsibility to make sure all employees are treated with respect regardless of their age, gender, ethnicity, religion, disability, economic status and other backgrounds. Our Group Diversity and Inclusion Policy is reflected in our Employee Code of Conduct. Our employee orientation programme ensures that our policies and principles are communicated to all employees. Our Board Diversity Policy defines the Nominating Committee’s considerations of several key factors, such as professional experiences, business perspectives, industry discipline, gender, age, educational background, geographical background, skills, knowledge and other distinguishing qualities of the individual, that are important and needed to support robust and good decision-making at the Board level.

## 8.4. WOMEN EMPOWERMENT AND GENDER DIVERSITY

We do not discriminate between genders. It is important to promote gender diversity and ensure fair representation of women in the workforce, as it can lead to numerous positive outcomes for the organization. This includes bringing in diverse perspectives, improving collaboration, experiences and skills to drive innovation and enhance our overall performance. We believe that creating an inclusive workplace environment that values and supports gender diversity is essential for the long-term success of our business.

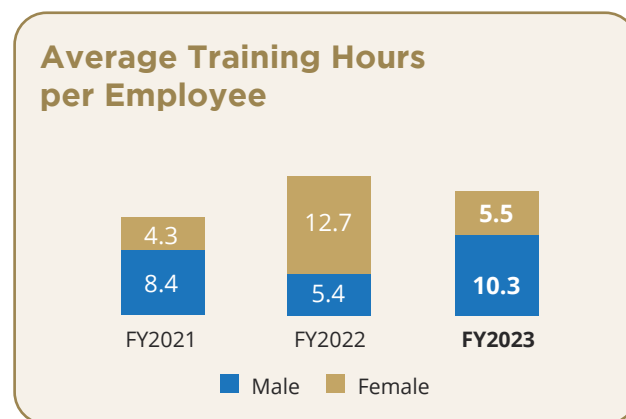
As at 31 December 2023, female employees account for 24% of the total global workforce and 33% of the senior management consists of female employees. Our Board has one (1) female member. The Group acknowledges that the ratio of female employees in the Group and the industry as a whole is relatively low, largely due to the nature of our business. We are committed to improving gender diversity and inclusivity in the workplace. In line with this commitment, we aim to maintain a percentage of female employees between 20% - 35% in office-based job categories, excluding the project/operations category. For FY2023, women employees accounted for 28% of the total staff employed in office-based jobs.

We are committed to improve gender balance throughout the organization, including at the leadership level.

## 8.5. TRAINING AND EDUCATION

We also provide training programmes on specific skill sets and needs of our employees to enhance their skills and meet their professional needs. In FY2023, we provided a total of 2,053 hours of training to our employees, a significant increase from the previous year’s 1,587 hours. On average, female employees received 5.5 hours of training, compared to 10.3 hours for male employees. The average training hours for senior executives, mid-level executives, executives, and project/operation employees were 2.8, 7.7, 3.6, and 27.0 hours, respectively.

In FY2023, training sessions were conducted on a diverse range of programs aimed at enhancing employee skills and knowledge. These sessions were focused on various areas, including health and safety, water treatment systems and processes. On average, we provided 6.5 hours of training per employee, and we aim to maintain the average training hours of 8 hours per employee for FY2024.



## Average Training Hours per Employee (By Employee Category)

	Senior Executives	Mid-level Executives	Executives	Project/Operation Employees
FY2023	2.8	7.7	3.6	27.0
FY2022	36.3	10.0	6.6	5.8
FY2021	26.9	4.0	6.6	7.7

## 8.6. OCCUPATIONAL HEALTH AND SAFETY

With ISO45001 Occupational Health & Safety Management System in place, Memiontec has established a framework for accountability and responsiveness on occupational health and safety. Our Singapore operations also obtained bizSAFE STAR, which recognises that our OHS system identifies, manages and controls workplace risks or hazards in compliance with the Workplace Safety and Health Act and international standards such as ISO 45001.

In accordance with our QEHS Policy, we are committed to conduct our operations with consideration for employee health and safety, and the environment, as well as providing quality products and services to our customers. We ensure that documenting, implementing and maintaining the Occupational Health and Safety Management System meet the requirements of ISO 45001. At the same time, we strive to improvement our QEHS performance based on monitoring and review of set objectives and targets.

Our commitment to health and safety is communicated to our stakeholders, including all the persons working for or on behalf of Memiontec. We provide training on QEHS awareness for all new employees and provide necessary occupational health and safety information, instructions and training to enable all colleagues in multiple languages to carry out their jobs competently and safely.

During FY2023, we provided a range of health and safety training programmes to our employees and outsourced workers, including but not limited to:

- Manage Workplace Safety and Health in Construction Industry (Manager and Supervisor)
- Assess, Supervise and Perform Work in Confined Space Operation
- Managing Work-At-Height (Manager and Worker)
- Supervise Safe Lifting Operations (Supervisor, Rigger and Signalman)
- Operators in the workplace (Scissor Lift, Boom Lift, Forklift)
- Metal Scaffold Erection Course
- Apply Workplace Safety and Health in Process Plant

In addition to our commitment to health and safety for our employees, we extend such efforts to our customers, suppliers and contractors. We carefully select competent contractors and regularly monitor their performance to ensure they meet the necessary standards of occupational health and safety. We also communicate our dedication to health and safety to the people employed by these contractors, making them aware of their individual obligations. Our suppliers are also required to implement effective health and safety prevention and remediation policies and procedures in accordance with industry, national, and international standards as well as Memiontec's own health and safety requirements. This includes taking reasonable steps to protect workers from unsafe processes, substances, and work methods.

# SUSTAINABILITY REPORT

Our health and safety performance indicators are provided below.

	FY2021	FY2022	FY2023
No. of hours worked	431,824	472,329	583,756
Fatalities due to work-related injuries	0	0	0
Rate of fatalities due to work-related injuries	0	0	0
High-consequence (non-fatal) work-related injuries	0	0	0
Rate of high-consequence (non-fatal) work-related injuries	0	0	0
Recordable work-related injuries	1	0	0
Rate of recordable work-related injuries	0.46	0	0

Notes:

- (a) Data covers our key operations in Singapore and Indonesia based on 200,000 hours worked.
- (b) High-consequence work-related injury refers to those injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
- (c) Recordable work-related injury refers to death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or significant injury diagnosed by a licensed healthcare professional. The formula used to calculate rate of recordable work-related injuries is the number of recordable work-related injuries / number of hours worked x 200,000 hours.

## 8.7. CUSTOMER HEALTH AND SAFETY

Health and safety of our customers are our top priorities. To ensure that our products and services meet the highest health and safety standard, we work closely with our suppliers and contractors. Under our Supplier Code of Conduct, suppliers are required to provide their products and services in line with recognised and contractually agreed safety requirements and comply with the local laws. In the event that the standards we adopt differ from applicable laws or regulations, the supplier shall abide by the stricter requirements.

During FY2023, there were no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services across all our operations and we aim to maintain zero incidents for FY2024.



MIT safety and quality management team



Awards given out to foster and promote safety culture

## 9. OUR COMMUNITY

Material Topic	FY2023 Target	FY2023 Performance	FY2024 Target
Local communities	To participate in at least 1 local community engagement event	Target met – Participated in 1 local community engagement event	To participate at least 1 local community engagement event

### Material Topics and SDG Goals

- Local communities



Memiontec believes in creating positive impact in the communities where it operates. In FY2023, the company organized three social functions to foster team building and staff cohesion, fostering a united team that can better serve our stakeholders and to give back to the community.

### Team Hiking Event at Rifle Range Nature Park in Singapore

Memiontec organized a Team Hiking Event in Singapore on 2 December 2023 to bring all new and existing staffs together and prepare for the journey ahead together. The hike started from Rifle Range Nature Park Visitor Centre and ended with a team brunch. This event was successfully conducted and improved the wellness and camaraderie of all the staff.



### Assistance and Donation rendered to a Local Charity in Tangerang City, Jakarta, Indonesia

In Indonesia, staffs in Memiontec Indonesia were given an opportunity to contribute back to the community. They visited a local nursing home, where there were around 20 grandmothers who had been abandoned by their families. Memiontec Indonesia provided our staff with a sum, where they assisted the elderly by buying necessities such as milk, food and medicine to help out with their daily needs. Donations were also made to the foundation by Memiontec to fund for the subsequent doctor visits and medicine for the elderly.



Memiontec is committed to continue creating positive impacts in the communities where it operates through such initiatives and anticipate to have more in the future.

# SUSTAINABILITY REPORT

## Appendix A - ESG PERFORMANCE HIGHLIGHTS

ESG PERFORMANCE (FY ended on 31 December)			
ESG FACTORS	FY2021	FY2022	FY2023
<b>ENVIRONMENTAL</b>			
CO2 emissions (t) <sup>1,3</sup>	156.0	197.4	255.9
Carbon emission intensity per labour hour (kgCO <sub>2</sub> ) <sup>1,3</sup>	0.36	0.42	0.44
Energy intensity per labour hour (MJ) <sup>1,3</sup>	4.2	5.0	5.4
Electricity used (kWh) <sup>1</sup>	99,260	119,817	120,872
Water withdrawal (ML) <sup>1</sup>	2.43	1.56	1.85
<b>SOCIAL</b>			
<b>Employees</b>			
Number of full-time employees	170	221	252
New hires	68	102	102
Average training hours per employee <sup>1</sup>	7.5	8.0	8.6
Employee turnover rate	40.2%	24.8%	29.6%
Fatalities	0	0	0
<b>Suppliers</b>			
Share of local suppliers as % of total purchase value	62	68	82
<b>ECONOMIC</b>			
<b>Financials (\$'m)</b>			
Revenue	45.6	42.8	66.9
Cost of goods sold <sup>2</sup>	35.2	29.7	52.1
Profit before income tax	2.1	3.5	3.9
Total operating expenses	1.9	2.9	2.9
Employee wages and benefits	6.6	6.6	7.6
Tax expenses	0.5	0.9	0.7
Finance costs	0.1	0.1	0.1
Dividends declared to shareholders	0.5	0.8	1.3
Total economic value distributed	44.8	40.9	64.7

1 Data covers MPL and PTMI.

2 Excluding employee wages and benefits recorded under cost of goods sold.

3 Restated 2021 and 2022 figures by removing fuel consumption for projects in our computations so as to obtain an accurate comparison year on year as fuel consumption for projects fluctuate with activity.

## Appendix B - ASSOCIATION, MEMBERSHIPS & CERTIFICATIONS

### ASSOCIATIONS AND MEMBERSHIPS:

We participate in industry organisations focusing on issues that are material to the business and to our stakeholders. Our participation allows us to keep abreast with industry developments and network with our industry peers. Our key memberships include:

- Singapore Water Association (SWA)
- Singapore Business Federation (SBF)

### INTERNATIONALLY RECOGNISEVD CERTIFICATIONS:

	ISO 9001	ISO 14001	ISO 18001	ISO45001
Memiontec Pte Ltd	✓	✓		✓
PT Memiontec Indonesia	✓	✓	✓	

# SUSTAINABILITY REPORT

## Appendix C - GRI CONTENT INDEX

GRI Standard	Disclosure	Location
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
<b>Organisational Details and Reporting Practices</b>		
GRI 2-1	Organizational details	Section 1 – About Memiontec
GRI 2-2	Entities included in the organization’s sustainability reporting	Section 2 – Sustainability Reporting Framework
GRI 2-3	Reporting period, frequency and contact point	Section 2 – Sustainability Reporting Framework
GRI 2-4	Restatements of information	Section 2 – Sustainability Reporting Framework
GRI 2-5	External assurance	Section 2 – Sustainability Reporting Framework
<b>Activities and Workers</b>		
GRI 2-6	Activities, value chain and other business relationships	Section 1 – About Memiontec
GRI 2-7	Employees	Section 8 – Our People
GRI 2-8	Workers who are not employees	Section 8 – Our People
<b>Activities and Workers</b>		
GRI 2-9	Governance structure and composition	Pg 20-22, 63-70 Section 4.2 – Sustainability Governance
GRI 2-10	Nomination and selection of the highest governance body	Pg 67, 70-73
GRI 2-11	Chair of the highest governance body	Pg 20, 69-70
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Pg 20-22, 78-84
GRI 2-13	Delegation of responsibility for managing impacts	Pg 20-22, 65
GRI 2-14	Role of the highest governance body in sustainability reporting	Section 4.2 – Sustainability Governance
GRI 2-15	Conflicts of interest	Pg 63 Section 5 – Governance
GRI 2-16	Communication of critical concerns	Section 5.1 – Anti-corruption
GRI 2-17	Collective knowledge of the highest governance body	Section 4.2 – Sustainability Governance
GRI 2-18	Evaluation of the performance of the highest governance body	Pg 73
GRI 2-19	Remuneration policies	Pg 75
GRI 2-20	Process to determine remuneration	Pg 75
GRI 2-21	Annual total compensation ratio	Not disclosed due to confidentiality



# SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location
<b>Activities and Workers</b>		
GRI 2-22	Statement on sustainable development strategy	Section 3 – Board Statement
GRI 2-23	Policy commitments	Section 4.6 United Nations Sustainable Development Goals Section 5 – Governance Section 8 – Our People
GRI 2-24	Embedding policy commitments	Section 4.6 United Nations Sustainable Development Goals Section 5 – Governance
GRI 2-25	Processes to remediate negative impacts	Section 8.2 – Non-discrimination
GRI 2-26	Mechanisms for seeking advice and raising concerns	Section 5.1 – Anti-corruption
GRI 2-27	Compliance with laws and regulations	Section 4.3 – Sustainability Risks and Opportunities Section 5 – Governance Section 7.4 – Environmental Compliance Section 8.6 – Occupational Health and Safety Section 8.7 – Customer Health and Safety
GRI 2-28	Membership associations	Appendix B
<b>Stakeholder Engagement</b>		
GRI 2-29	Approach to stakeholder engagement	Section 4.4 – Stakeholder Engagement
GRI 2-30	Collective bargaining agreements	Section 8 - Our People
<b>Material Topics</b>		
GRI 3-1	Process to determine material topics	Section 4.5 – Materiality Assessment
GRI 3-2	List of material topics	Section 4.5 – Materiality Assessment
<b>ECONOMIC TOPICS</b>		
<b>Economic Performance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 6.1 – Economic Performance
GRI 201: Economic Performance	Direct economic value generated and distributed	Section 6.1 – Economic Performance
<b>Indirect Economic Impacts</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 6.2 – Indirect Economic Impacts
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Section 6.2 – Indirect Economic Impacts

# SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location
<b>Procurement Practices</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 6.3 – Procurement Practises
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Section 6.3 – Procurement Practises Appendix A
<b>Anti-Corruption</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 5.1 – Anti-corruption
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Section 5.1 – Anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Section 5.1 – Anti-corruption
<b>ENVIRONMENTAL TOPICS</b>		
<b>Climate Change (Energy)</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 7.3 – Water
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Section 7.1 – Energy
	302-3 Energy intensity	Section 7.1 – Energy Appendix A
<b>Climate Change (Water Management)</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 7.3 – Water
GRI 203: Indirect Economic Impacts 2016	303-3 Water withdrawal	Section 7.3 – Water Appendix A
<b>Climate Change (Emissions)</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 7.2 – Emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Section 7.2 – Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Section 7.2 – Emissions Appendix A
	305-4 GHG emission intensity	Section 7.2 – Emissions Appendix A
<b>SOCIAL TOPICS</b>		
<b>Employment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 8 – Our People
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	Section 8.1 Employment Appendix A

# SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location
<b>Occupational Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 8.6 – Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Section 8.6 – Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Section 8.6 – Occupational Health and Safety
	403-9 Work-related injuries	Section 8.6 – Occupational Health and Safety Appendix A
<b>Training and Education</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 8.5 – Training and Education
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Section 8.5 – Training and Education
<b>Diversity and Equal Opportunities</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 8.3 – Diversity and Equal Opportunities Section 8.4 – Women Empowerment and Gender Diversity
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Section 8 – Our People
<b>Non-Discrimination</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 4.5 – Materiality Assessment Section 9 – Local community
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Section 8.2 – Non-discrimination
<b>Customer Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 9 – Local community Section 8.7 – Customer Health and Safety
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Section 8.7 – Customer Health and Safety

# SUSTAINABILITY REPORT

## Appendix D - SASB ENGINEERING & CONSTRUCTION DISCLOSURE

Topic	Accounting Metric	Unit of Measure	Code	2021	2022	2023
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	Number	IF-EN-160a.1	0	0	0
	Number of incidents of non-compliance with environmental permits, standards, and regulations	n/a	IF-EN-160a.2	Both our construction service operating companies, MPL and PTMI, are ISO14001 certified. This means that we have put in place various environmental operation control procedures, which set out clear directions to ensure proper control measures across the company. Please see Section 7 – Environment and Appendix A for more details		
Structural Integrity & Safety	Amount of defect- and safety-related rework costs	Reporting currency	IF-EN-250a.1	Nil	Nil	Nil
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Reporting currency	IF-EN-250a.2	Nil	Nil	Nil
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for direct employees	Rate	IF-EN-320a.1	(1) 0.46 (2) 0	(1) 0 (2) 0	(1) 0 (2) 0
	1) Total recordable incident rate (TRIR) and (2) fatality rate for contract employees	Rate	IF-EN-320a.1	Data is not available as we have not tracked the number of the contract employees who are not on Memiontec's payroll, but who are supervised by us on a day-to-day basis.		

# SUSTAINABILITY REPORT

Topic	Accounting Metric	Unit of Measure	Code	2021	2022	2023
Lifecycle Impacts of Buildings & Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Number	IF-EN-410a.1	Not applicable	Not applicable	Not applicable
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	n/a	IF-EN-410a.2	Memiontec strives to reduce customers' carbon footprint through the use of water treatment equipment with lower energy, higher water recovery, lesser chemical consumption to improve operational efficiency and water treatment process and to reduce the volume of sludge generated as byproduct of the treatment process. We also considers ways to recycle waste.		
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	Reporting currency	IF-EN-410b.1	Not applicable	Not applicable	Not applicable
	Amount of backlog cancellations associated with hydrocarbon-related projects	Reporting currency	IF-EN-410b.2	Not applicable	Not applicable	Not applicable
	Amount of backlog for non-energy projects associated with climate change mitigation	Reporting currency	IF-EN-410b.3	Not applicable	Not applicable	Not applicable

# SUSTAINABILITY REPORT

Topic	Accounting Metric	Unit of Measure	Code	2021	2022	2023
Business ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number, reporting currency	IF-EN-510a.1	0	0	0
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	Reporting currency	IF-EN-510a.2	0	0	0
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	n/a	IF-EN-510a.3	We are committed to conducting our business with integrity and honesty. In line with our commitment to anti-corruption, we have established a number of relevant policies, which apply to our Board, suppliers and all employees across our operations. Please see Section 5 - Governance for more details on our policies, practices and performance.		

## ACTIVITY METRICS

Activity Metric	Category	Unit of Measure	Code	2021	2022	2023
Number of active projects	Quantitative	Number	IF-EN-000.A	19	16	11
Number of commissioned projects	Quantitative	Number	IF-EN-000.B	9	3	9
Total backlog	Quantitative	Reporting currency	IF-EN-000.C	S\$77.8m	S\$104.5m	S\$57.1m

## Appendix E - TCFD CONTENT INDEX

TCFD Recommendations	Disclosure	Reference
<b>GOVERNANCE</b>		
Describe the board's oversight of climate-related risks and opportunities	Our Board provides strategic oversight and direction for identifying and managing climate-related risks, and considers the risks and opportunities in the formulation of business strategy.	Section 4.2 Sustainability Governance
Describe management's role in assessing and managing climate-related risks and opportunities.	The SWC, chaired by the Managing Director of the Group and supported by the head of various departments, is responsible for developing and managing strategy under the Board's supervision to address climate-related risks and opportunities	Section 4.2 Sustainability Governance
<b>STRATEGY</b>		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We are still assessing the impact of climate-related risks and opportunities to our organisation. We will disclose our findings in the next sustainability report.	-
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	We are still assessing the impact of climate-related risks and opportunities to our organisation. We will disclose our findings in the next sustainability report.	-
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We are still assessing the impact of climate-related scenarios to our organisation. We will disclose our findings in the next sustainability report.	-
<b>RISK MANAGEMENT</b>		
Describe the organisation's processes for identifying and assessing climate-related risks.	We are still developing a framework which allows us to identify, assess and manage climate-related risks. We will disclose such processes in the next sustainability report.	-
Describe the organisation's processes for managing climate-related risks.	We are still developing a framework which allows us to identify, assess and manage climate-related risks. We will disclose such processes in the next sustainability report.	-
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We are still developing a framework which allows us to identify, assess and manage climate-related risks. We will disclose such processes in the next sustainability report.	-
<b>METRICS AND TARGETS</b>		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Since 2021, we have been monitoring metrics such as: <ul style="list-style-type: none"> <li>• Scope 1 and 2 GHG emissions</li> <li>• Electricity and fuel consumption</li> </ul>	Section 7.1 Climate Change <ul style="list-style-type: none"> <li>• Energy</li> </ul> Section 7.2 Climate Change <ul style="list-style-type: none"> <li>• Emissions</li> </ul>
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 and Scope 2 GHG emissions are disclosed in our report. We will review and disclose our Scope 3 GHG emissions, if any in the next sustainability report.	Section 7.2 Climate Change - Emissions
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We are still setting appropriate targets to manage climate-related risks and opportunities and will disclose the climate-related risks and opportunities and performance targets in the next sustainability report.	-

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Jackson Chevalier Yap Kit Siong**  
*(Independent Non-Executive Chairman)*

**Tay Kiat Seng**  
*(Executive Director and Chief Executive Officer)*

**Soelistyo Dewi Soegiharto**  
*(Managing Director)*

**Hor Siew Fu**  
*(Independent Director)*

**Loh Eu Tse Derek**  
*(Independent Director- retired with effect from 1st Jun 2023)*

**Yap Chee Wee**  
*(Independent Director- appointed with effect from 1st Sep 2023)*

## AUDIT COMMITTEE

Hor Siew Fu (Chairman)  
Jackson Chevalier Yap Kit Siong  
Yap Chee Wee

## NOMINATING COMMITTEE

Yap Chee Wee (Chairman)  
Hor Siew Fu  
Tay Kiat Seng  
Jackson Chevalier Yap Kit Siong

## REMUNERATION COMMITTEE

Jackson Chevalier Yap Kit Siong (Chairman)  
Hor Siew Fu  
Yap Chee Wee

## COMPANY SECRETARY

Gn Jong Yuh Gwendolyn

## CO. REG. NUMBER

201305845W

## REGISTERED OFFICE

20 Woodlands Link  
#04-30/31 Singapore 738733  
Tel: 65 6756 6989  
Fax: 65 6756 8274  
Email: memiontec@memiontec.com  
Corporate website: www.memiontec.com

## SPONSOR

ZICO Capital Pte. Ltd.  
77 Robinson Road  
#06-03 77 Robinson  
Singapore 068896

## AUDITORS

PKF-CAP LLP  
6 Shenton Way  
#38-01 OUE Downtown 1  
Singapore 068809  
Partner-in-charge: Lee Eng Kian  
(Appointed since financial year ended 31 December 2023)

## SHARE REGISTRAR

Boardroom Corporate  
& Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

## PRINCIPAL BANKERS

United Overseas Bank Limited  
Overseas - Chinese Banking Corporation Limited  
RHB Bank Berhad  
Standard Chartered Bank

## INVESTOR RELATIONS

Email: IRMR@memiontec.com



# CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or the “**Directors**”) and the management (“**Management**”) of Memiontec Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) are committed to maintaining a high standard of corporate governance. The Board and Management recognise the importance of practicing good corporate governance as a fundamental part of our responsibilities to protect and enhance shareholders’ value, the financial performance and the long-term sustainability of the Group and its businesses.

*Compliance with the Code of Corporate Governance 2018*

This report describes the Group’s governance practices that were in place during the financial year ended 31 December 2023 (“**FY2023**”), with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying Practice Guidance (issued on 6 August 2018 and last amended on 11 January 2023) which form part of the continuing obligations of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). In addition, compliance with relevant Catalist Rules is also disclosed wherever applicable in this report.

The Board is pleased to report that, for FY2023, the Company has complied in all material aspects with the principles and provisions set out in the Code. Where there are deviations from the provisions of the Code, appropriate explanations have been provided and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

## 1. BOARD MATTERS

### The Board’s Conduct of Affairs

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**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

#### ***Provision 1.1 - Board’s Role***

The Board provides leadership to the Group by setting the corporate policies and strategic directions. The Board recognises that Directors are fiduciaries who should act objectively in the best interests of the Group and hold Management accountable for performance. The Board oversees the Group’s affairs and is accountable to shareholders of the Company (“**Shareholders**”) for the management and performance of the Group’s businesses. The Board has put in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. Directors facing conflicts of interest recuse themselves from discussions and making decisions involving the issues of conflict.

The principal responsibilities of the Board include the following:

- (a) to provide entrepreneurial leadership, set strategic directions and establish long term objectives of the Group, which shall include focus on value creation, innovation and sustainability;
- (b) to review and approve corporate plans, annual budgets, investment and divestment proposals, major funding initiatives, merger and acquisition activities and financial plans of the Group;
- (c) to ensure that the necessary resources, such as financial and human, are in place effectively for the Group to meet its objectives;
- (d) to review and evaluate the adequacy and integrity of Group’s framework of prudent and effective internal controls, risk management and financial reporting system to enable key risks to be assessed and managed, including safeguarding of Shareholders’ interests and the Group’s assets;

# CORPORATE GOVERNANCE REPORT

- (e) to monitor and review Management's performance towards achieving the set organisational objectives and goals;
- (f) to instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture;
- (g) to ensure accurate and timely release of information to Shareholders, in compliance with the requirements of the Catalist Rules;
- (h) to ensure the Group's compliance with laws, regulations, policies and guidelines; and
- (i) to review and approve interested persons transactions and material transactions, and announcements thereof, in compliance with the requirements of the Catalist Rules.

## ***Provision 1.2 - Directors' Duties and Responsibilities***

All Directors, who are expected to exercise due diligence and independent judgment, are obliged to act in good faith and in the best interests of the Company. The Board has an obligation to Shareholders and other stakeholders of the Company to safeguard their interests and the Company's assets by establishing a framework of prudent and effective controls which enables risks to be assessed and managed, setting the Company's values and standards (including ethical standards), and ensuring that obligations to Shareholders and other stakeholders are understood and being met, as well as identifying the key stakeholder groups and recognizing that their perceptions affect the Company's reputation.

### *Orientation, Continuous Training and Development of Directors*

The Company does not have a formal training program for Directors but all new Directors will undergo an orientation in order to be provided with background information about the Group's history, strategic directions and industry-specific knowledge. The Directors will also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of the Group's business operations. The Company will also arrange for first-time Directors to attend relevant training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST under Rule 406(3)(a) of the Catalist Rules and, if necessary, in areas such as accounting, legal and industry specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company.

Mr. Yap Chee Wee was appointed as an Independent Director with effect from 1 September 2023. Following his appointment, Mr. Yap Chee Wee had received the abovementioned orientation programme from the Company. In addition, Mr. Yap Chee Wee had met with Management to gain a better understanding of the Group's business operations. Mr. Yap Chee Wee has prior experience as a director of an issuer listed on the SGX-ST and as such, he is not required to attend the prescribed training pursuant to Rule 406(3)(a) of the Catalist Rules. Further, Mr. Yap Chee Wee has also attended the prescribed sustainability training courses organised by the relevant training providers.

The Directors are continually and regularly updated on the Group's businesses and governance practices, including changes in laws and regulations, financial reporting standards and code of corporate governance, so as to enable Directors to effectively discharge their duties. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority which are relevant to the Group and/or Directors are circulated to the Board. All Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") for them to receive journal updates and training from SID.

During FY2023, the Directors were briefed and updated on (i) developments in financial reporting and governance standards, where relevant, by the external auditors of the Company; and (ii) regulatory announcements, guidance and/or amendments to the Catalist Rules and the Code, where relevant, by the continuing sponsor of the Company.

# CORPORATE GOVERNANCE REPORT

## ***Provision 1.3 - Internal Guidelines on Matters Requiring Board Approval***

Matters that require the approval of the Board include, but are not limited to, the following:

- (a) matters that involve a conflict of interest of a controlling shareholder or a Director or persons connected to such Shareholder or Director;
- (b) approval of announcements to be released via SGXNet, including half year and full year financial results announcements;
- (c) approval of operating budgets, annual and interim reports, financial statements, Directors' statement and annual report;
- (d) share issuance, interim dividends and other returns to Shareholders;
- (e) authorisation of banking facilities and corporate guarantees;
- (f) approval of change in corporate business strategy and direction;
- (g) appointment/cessation, and remuneration packages of the Directors and key management executives;
- (h) any matters relating to the Company's Annual General Meeting ("**AGM**"), Board and Board Committees (as defined herein);
- (i) approval of material investment and divestment proposals, acquisitions and disposals, and funding requirements; and
- (j) approval of any changes to the terms and conditions of the Combination Agreements (details of which are set out in the section entitled "General Information on our Group - Combination Agreements" of the Company's offer document dated 21 February 2020 ("**Offer Document**") in connection with the listing of the Company's shares on the Catalist board of the SGX-ST ("**Listing**") and its associated undertakings to safeguard the Group's interests while ensuring the compliance of Combination Agreements with the prevailing applicable laws and regulations of Indonesia.

## ***Provision 1.4 - Delegation of Authority to Board Committees***

The Board has, without abdicating its responsibilities, delegated certain matters to three (3) Board committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), which operate under their respective terms of reference. The Board Committees play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the respective Board Committees, details of which are set out in the respective sections of this report, are reviewed on a regular basis to ensure their continued relevance. The Board Committees actively engage and play an important role in ensuring good corporate governance in the Company and within the Group. The respective Chairman of the Board Committees reports the outcome of the Board Committees meetings to the Board. Minutes of the Board Committees are regularly provided to the Board and are available to all Board members. Please refer to the respective principles in this report for further information on the composition, description and activities of each Board Committee.

## ***Provision 1.5 - Meetings of Board and Board Committees and Attendance Records of the Board Members***

The schedule of all the Board and Board Committee meetings as well as the AGM for the next calendar year is planned well in advance. The Board will meet at least twice yearly and whenever warranted by particular circumstances. Ad-hoc, non-scheduled Board meetings may be convened to deliberate on urgent substantial matters. In addition to these meetings, corporate events and actions requiring the Board's approval may be discussed over the telephone and/or via other electronic means, followed by Directors' resolutions in writing being passed. Regulation 102(4) of the Company's Constitution allows a Board meeting to be conducted by way of tele-conference and video conference.

# CORPORATE GOVERNANCE REPORT

The table below sets out the number of Board and Board Committee meetings which were convened during FY2023:

	Board	AC	NC	RC
Total number of meetings held	3	2	1	2
Name of Director	Number of meetings attended			
<i>Executive Directors:</i>				
Tay Kiat Seng	3	2*	1	2*
Soelistyo Dewi Soegiharto	3	2*	1*	2*
<i>Independent Directors:</i>				
Jackson Chevalier Yap Kit Siong	3	2	1	2
Hor Siew Fu	3	2	1	2
Loh Eu Tse Derek <sup>(1)</sup>	1	1	1	1
Yap Chee Wee <sup>(2)</sup>	1	0	0	0

\* Attended by invitation.

## Notes:

- (1) Mr. Loh Eu Tse Derek resigned as an Independent Director with effect from 1 June 2023.
- (2) Mr. Yap Chee Wee was appointed as an Independent Director with effect from 1 September 2023.

The key information of the Directors, including their position, academic and professional qualifications, shareholding interests in the Group, Board Committees served on, first appointment dates, last re-appointment dates, present directorships or chairmanships in other listed companies, and their principal commitments, are set out in the sections entitled "Board of Directors", "Corporate Information" and "Directors' Statement" of this Annual Report. None of the Directors are related to one another, with the exception of Mr. Tay Kiat Seng and Ms. Soelistyo Dewi Soegiharto, who are spouses.

### **Provision 1.6 - Board's Access to information**

To enable the Board to make informed decisions and to fulfil its responsibilities, the Management provides complete, accurate and adequate information in a timely manner. A system of communication between the Management and the Board and Board Committees has been established and shall be continuously improved over time. The Board has separate and independent access to the Company's Management in respect of obtaining information, as reliance purely on what is volunteered by the Management may not be adequate in certain circumstances and further enquiries may be required for the Board to fulfil its duties properly.

All scheduled Board and Board committees' meetings are planned ahead. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting. Such board papers usually include budgets, forecasts and periodic management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

### **Provision 1.7 - Board's Access to Management, Company Secretary and External Advisers**

At all times, the Board and Board Committees and every Director have separate and independent access to the Management and the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary and/or his/her representative(s) have attended the Board and Board Committees meetings convened during FY2023. The appointment and removal of the Company Secretary is decided by the Board as a whole.

The Company Secretary function is outsourced to Shook Lin & Bok LLP.

Should the Directors, whether as a group or individually, need independent professional advice, the Company will appoint such professional adviser to render the appropriate professional advice. The cost of such engagement will be borne by the Company.

# CORPORATE GOVERNANCE REPORT

## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

### *Provision 2.1 - Strong and Independent Element of the Board*

As at the date of this report, the Board comprises five (5) members, of whom three (3) are Independent Directors. The present Board members and Board Committees members are as follows:

Name of Director	Designation	Board Committee Membership		
		AC	NC	RC
Jackson Chevalier Yap Kit Siong	Independent Non-Executive Chairman	Member	Member	Chairman
Tay Kiat Seng	Executive Director and Chief Executive Officer	-	Member	-
Soelistyo Dewi Soegiharto	Managing Director	-	-	-
Hor Siew Fu	Independent Non-Executive Director	Chairman	Member	Member
Yap Chee Wee	Independent Non-Executive Director	Member	Chairman	Member

The independence of each Independent Director is assessed and will be reviewed at least annually by the NC. In its review and deliberation as to the independence of a Director, the NC takes into account the definition of an “independent” director provided in the Code, the guidelines and examples of relationships as set out in the accompanying Practice Guidance 2 to the Code as well as the circumstances in which a director should be deemed to be non-independent as specified under Rule 406(3)(d) of the Catalist Rules. The Code has defined an “independent” director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgment in the best interests of the company. Under Rule 406(3)(d) of the Catalist Rules, a director will not be independent under any of the following circumstances: (i) if he is employed by the company or any of its related corporations for the current or any of the past three (3) financial years; or (ii) if he has an immediate family member who is employed or has been employed by the company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the company; or (iii) if he has been a director of the company for an aggregate period of more than nine (9) years (whether before or after listing), and such director may continue to be considered independent until the conclusion of the next annual general meeting of the company.

There is no policy to prohibit or require the Non-Executive and Independent Directors to hold shares in the Company. The NC and the Board are of the view that the holding of shares by Non-Executive and Independent Directors of less than 5% of the total issued shares in the Company encourages the alignment of their interests with the interests of Shareholders without compromising their independence. As at the date of this report, none of the Non-Executive and Independent Directors holds any shares in the Company.

Each Independent Director is required to complete a Director’s Independence Checklist annually to confirm his independence based on the provisions as set out in the Code and the accompanying Practice Guidance as well as Rule 406(3)(d) of the Catalist Rules. The Independent Directors must also confirm whether they consider themselves independent despite having any relationship identified in the Code and the accompanying Practice Guidance. As at the date of this report, each of the Independent Directors has confirmed his independence based on the provisions as set out in the Code and the accompanying Practice Guidance as well as Rule 406(3)(d) of the Catalist Rules, and the NC has reviewed, determined and confirmed the independence of each Independent Director.

There are no Independent Directors who have served on the Board beyond nine (9) years from the date of their respective first appointments.

# CORPORATE GOVERNANCE REPORT

## ***Provisions 2.2 and 2.3 - Composition of Independent Directors and Non-Executive Directors on the Board***

As at the date of this report, the Chairman of the Board is Mr. Jackson Chevalier Yap Kit Siong, an Independent Non-Executive Director, who is not part of the Management team and is independent. In this regard, Provision 2.2 of the Code, which requires Independent Directors to make up a majority of the Board where the Chairman is not independent, is not applicable to the Company.

As at the date of this report, the Board comprises a majority of three (3) Directors (out of a five (5) member Board) who are Independent Non-Executive Directors. Accordingly, the Company is in compliance with Provision 2.3 of the Code, which requires Non-Executive Directors to make up a majority of the Board.

## ***Provision 2.4 - Composition and Size of the Board***

The size and composition of the Board and Board Committees is reviewed annually by the NC to ensure that their size and composition is appropriate so as to facilitate effective decision making. The review aims to ensure that there is an appropriate mix of expertise and experience, which the Group may tap on for assistance in furthering its business objectives and shaping its business strategies. At the recommendation of the NC, the Board adopted a formal Board Diversity Policy in 2022, setting out its policy and framework for promoting diversity on the Board. The Board Diversity Policy is available on the Company's corporate website. The Board recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, professional experiences, business perspectives, industry discipline, gender, age, ethnicity and culture, geographical background and other distinguishing qualities of each Director.

As required under the Board Diversity Policy, members of the Board should possess the relevant core competencies in areas such as accounting and finance, legal, strategic planning, business and management experience. The Board members collectively possess the necessary core competencies such as accounting, finance, legal, investment, business and management experience, corporate governance, industry knowledge and strategic planning experience for the effective functioning of the Board and an informed decision-making process. Accordingly, the Board, with the concurrence of the NC, is of the opinion that its current Board size of five (5) members, and the size of each Board Committee, as well as their respective compositions, are appropriate, taking into account the nature and scope of the Group's operations, the requirements of the business and the industry that the Company is operating in.

The Board comprises of Directors, who provide an appropriate balance and mix of skills, knowledge and experience and other aspects of diversity, so as to avoid groupthink and foster constructive debate, and thus the current Board's composition reflects the Company's commitment to Board diversity in accordance with the Board Diversity Policy. The Board considers gender as an important aspect of diversity as it believes that diversity in the Board's composition contributes to the quality of its decision making. The incumbent Board currently comprises four (4) male Directors and one (1) female Director (constituting 20% female representation on the Board), which is in line with the Board's target for gender diversity to have at least one (1) female Director on the Board. In addition, the Board consists of Directors with ages ranging from mid 50s to mid 70s, who have served on the Board for different tenures.

Accordingly, the Company has achieved its target set under the Board Diversity Policy, and will endeavour to maintain a minimum of one (1) female director on the Board moving forward, while bearing in mind that the Board's needs will change over time. In this regard, the Board, in consultation with the NC, is of the view that, for the time being, the Company's Board Diversity Policy has allowed the Company to achieve diversity in the Board.

# CORPORATE GOVERNANCE REPORT

Mr. Jackson Chevalier Yap Kit Siong (“**Mr. Jackson Yap**”) has informed the NC and the Board of his intention to retire from the Board following the conclusion of the forthcoming AGM to be held on 24 April 2024. Accordingly, he will also step down from his position as the Chairman of the Board, Chairman of the RC, as well as a member of the AC and NC. Following his retirement, the RC and the AC each comprise only of two (2) directors, instead of a minimum of three (3) directors as required under Provisions 6.2 and 10.2 of the Code respectively. Section 201B of the Companies Act 1967 of Singapore and Rule 704(7) of the Catalist Rules also require the AC to comprise of at least three (3) directors, and in the event of any retirement or resignation which renders the AC unable to meet the minimum number, the Company should endeavour to fill the vacancy within two (2) months, but in any case not later than three (3) months. Separately, the Board is also cognizant of the fact that independent directors are required to make up a majority of the Board where the Chairman is not independent. Immediately following the conclusion of the forthcoming AGM and assuming that the Directors which are up for rotation have been successfully re-elected, it is expected that the position of Chairman of the Board will be vacant, and the Board will only comprise of two (2) Independent Directors out of a total of four (4) Directors. The Board is looking to identify appropriate candidate(s) to be appointed to fill the vacancy in the Board, the AC and the RC within two (2) months, and in any case, no later than three (3) months, in compliance with Rule 704(7) of the Catalist Rules, Section 201B of the Companies Act 1967 of Singapore and the Code.

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

## ***Provision 2.5 - Roles of Non-Executive Directors***

The Non-Executive Directors (including Independent Directors) have the necessary experience and expertise to assist the Board in decision-making and provide greater balance to the Board as they do not participate in the day-to-day running of the Group. The Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of and to extend guidance to the Management.

The responsibilities of the Non-Executive Directors include:

- (a) assisting the Board to develop proposals on strategy, constructively challenging it when necessary; and
- (b) reviewing and monitoring the performance of the Management in meeting the goals and objectives committed.

Besides the above, the Non-Executive Directors’ responsibilities include other duties as required in their respective capacity as members of the AC, NC and RC.

The Independent Non-Executive Directors (led by the Independent Non-Executive Chairman or other Independent Non-Executive Directors as appropriate) would meet regularly, at least at each Board meeting, without the presence of Management (including the Executive Directors), and this has been carried out in FY2023. Any issues raised at such independent meetings would be brought up for discussion with the Executive Directors and the Management at the Board meeting, where appropriate.

## **Chairman and Chief Executive Officer**

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**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

### ***Provisions 3.1 and 3.2 - Chairman and Chief Executive Officer (“CEO”)***

The roles of the Chairman and the CEO are held by separate persons. Mr. Jackson Yap is the Independent Non-Executive Chairman of the Company while Mr. Tay Kiat Seng is the CEO of the Company. The Chairman and the CEO are not related to each other.

There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and the Management responsible for managing the Company’s business. This ensures an appropriate balance of power and authority between the Chairman and the CEO, and thereby allows for increased accountability and greater capacity of the Board for independent decision-making.

# CORPORATE GOVERNANCE REPORT

As Chairman of the Company, Mr. Jackson Yap is responsible for the effective functioning of the Board and exercises control over the quality, quantity and timeliness of information flow between the Board and the Management. In addition, as Chairman of the Company, he encourages constructive relations among the Directors and the Board's interaction with the Management, as well as facilitates effective contribution of Non-Executive Directors.

The Chairman's responsibilities in respect of the Board proceedings include:

- (a) leading the Board to ensure its effectiveness;
- (b) managing the Board's matters, including supervising the work of the Board Committees;
- (c) setting the agenda (with the assistance of the Management and Company Secretary) and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (d) ensuring that all agenda items are adequately and openly debated for effective decision making during Board meetings;
- (e) ensuring that all Directors receive complete, adequate and timely information;
- (f) ensuring effective communication with Shareholders; and
- (g) assisting in ensuring that the Group complies with the Code and maintains high standards of corporate governance.

As CEO of the Company, Mr. Tay Kiat Seng manages and develops the businesses of the Group and implements the Board's decision. He undertakes the executive responsibilities of the Group's performance.

## ***Provision 3.3 - Lead Independent Director***

The requirement to have a lead independent director under Provision 3.3 of the Code is not applicable as the Chairman and the CEO are separate persons and the Chairman is independent.

The Board believes that there is a strong and independent element on the Board and adequate safeguards are in place against an uneven concentration of power and authority vested in any single individual. As such, the Board has not appointed any Independent Director to assume the role of a lead independent director. However, the Board will review from time to time, the necessity of nominating a lead independent director.

Notwithstanding the above, the Independent Non-Executive Chairman functions as a lead independent director in that he is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the CEO or Management are inappropriate or inadequate.

## **Board Membership**

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**Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.**

## ***Provisions 4.1 and 4.2 - Nominating Committee and its activities***

As at the date of this report, the NC comprises the following four (4) Directors, three (3) of whom, including the NC Chairman, are independent:

Yap Chee Wee	Chairman	Independent Non-Executive Director
Tay Kiat Seng	Member	Executive Director and CEO
Jackson Chevalier Yap Kit Siong	Member	Independent Non-Executive Chairman
Hor Siew Fu	Member	Independent Non-Executive Director

The NC met once in FY2023. During the year, the NC conducted activities in line with its terms of reference as set out below.



# CORPORATE GOVERNANCE REPORT

The terms of reference of the NC sets out its duties and responsibilities. Amongst others, the NC is responsible for the following:

- (a) review and recommend the appointment of new Directors and Executive Officers and re-nomination of Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group including his principal occupation and board representations on other companies, if any. The NC will conduct such review at least once a year, or more frequently as it deems fit;
- (b) determine annually, and as and when circumstances require, whether or not a Director is independent;
- (c) decide whether or not a Director is able to and has been adequately carrying out his duties as a Director;
- (d) develop a process and criteria for evaluating the performance and effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of each Director and the Chairman to the effectiveness of the Board;
- (e) review the size and composition of the Board and Board Committees, the Directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;
- (f) review succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- (g) review the training and professional development programs for the Board;
- (h) where a Director has multiple board representations, decide whether the Director is able and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments;
- (i) review and approve the employment of persons related to the Directors, CEO or substantial Shareholders and the proposed terms of their employment; and
- (j) undertake generally such other functions and duties as may be required by law, the Catalist Rules and/or the Code, and by such amendments made thereto from time to time.

## *Succession Planning*

The NC will review board succession plans for Directors and will seek to refresh the Board membership in an orderly and timely manner where it deems applicable. The NC will also ensure that the Company has succession planning for its CEO, Chairman, Executive Directors and key management personnel, including appointing, training and mentoring successors. The NC has reviewed contingency arrangements for any unexpected incapacity of the CEO or any of the key management personnel and is satisfied with procedures in place to ensure a transition to a full operational management team.

## ***Provision 4.3 - Process for the Selection, Appointment and Re-appointment of Directors***

Periodic reviews of the Board composition, including the selection of candidates for new appointments to the Board, will be made by the NC in consultation with the Chairman of the Board as part of the Board's renewal process. Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The selection of candidates is evaluated taking into account various factors including the current and mid-term needs and objectives of the Group, as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations. Short-listed candidates would be required to furnish their curriculum vitae stating in detail their qualification, working experience, employment history, in addition to completing certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines. The NC will also consider tapping on the resources or services provided by the Council for Board Diversity, SID and relevant professional associations to facilitate their search process.

# CORPORATE GOVERNANCE REPORT

All Directors shall submit themselves for re-nomination and re-appointment at least once every three (3) years. At least one-third of the Directors shall retire by rotation at every AGM and a retiring Director shall be eligible for re-election in accordance with the Constitution of the Company. In addition, the Company's Constitution provides that new Directors appointed during the year, either to fill a vacancy or as an addition to the Board, are required to submit themselves for re-election at the next AGM of the Company. Each member of the NC shall abstain from voting on any resolutions in respect to his/her re-nomination as a Director.

For the re-nomination of Directors for the ensuing term of office, the NC takes into consideration factors such as attendance, preparedness, and participation at meetings of the Board and Board Committees.

At the forthcoming AGM, Mr. Tay Kiat Seng (Executive Director and Chief Executive Officer) and Ms. Soelistyo Dewi Soegiharto (Managing Director) will be retiring by rotation pursuant to Regulation 96 of the Company's Constitution.

Mr. Yap Chee Wee was appointed to the Board with effect from 1 September 2023. Accordingly, he will hold office only until the forthcoming AGM and will be required to submit himself for re-election at the forthcoming AGM pursuant to Regulation 100 of the Company's Constitution.

Mr. Tay Kiat Seng, Ms. Soelistyo Dewi Soegiharto and Mr. Yap Chee Wee, being eligible for re-election, have offered themselves for re-election to the Board at the forthcoming AGM. The NC has recommended and the Board has agreed that at the forthcoming AGM, Mr. Tay Kiat Seng, Ms. Soelistyo Dewi Soegiharto and Mr. Yap Chee Wee are nominated for re-election. In making the recommendation, the NC has considered, amongst others, each of Mr. Tay Kiat Seng's, Ms. Soelistyo Dewi Soegiharto's and Mr. Yap Chee Wee's competencies, commitment, overall contribution and performance to the Board (such as attendance, participation, preparedness and candour), as well as their respective roles and responsibilities in the Company and/or the Group. Each of Mr. Tay Kiat Seng, Ms. Soelistyo Dewi Soegiharto and Mr. Yap Chee Wee had recused himself or herself in the deliberation of his or her own re-election.

Mr. Tay Kiat Seng will, upon re-election as a Director at the forthcoming AGM, remain as Executive Director and CEO of the Company, as well as a member of the NC.

Ms. Soelistyo Dewi Soegiharto will, upon re-election as a Director at the forthcoming AGM, remain as the Managing Director of the Company.

Mr. Yap Chee Wee will, upon re-election as a Director at the forthcoming AGM, remain as an Independent Director of the Company and continue as Chairman of the NC, as well as a member of the AC and the RC.

Please refer to the section entitled "Disclosure of Information on Directors Seeking Re-election" of this report for the information on Mr. Tay Kiat Seng, Ms. Soelistyo Dewi Soegiharto and Mr. Yap Chee Wee as required pursuant to Rule 720(5) of the Catalist Rules.

Mr. Jackson Yap has given notice of his intention to retire from the Board following the conclusion of the forthcoming AGM. Accordingly, he will also step down from his position as the Chairman of the Board, Chairman of the RC, as well as a member of the AC and the NC. Immediately following the conclusion of the forthcoming AGM and assuming that the Directors which are up for rotation have been successfully re-elected, it is expected that the position of Chairman of the Board will be vacant, and the Board will only comprise of two (2) Independent Directors out of a total of four (4) Directors. The Board is looking to identify appropriate candidate(s) to be appointed to fill the vacancy in the Board, the AC and the RC within two (2) months, and in any case, no later than three (3) months, in compliance with Rule 704 (7) of the Catalist Rules, Section 201B of the Companies Act 1967 of Singapore and the Code.

# CORPORATE GOVERNANCE REPORT

## ***Provision 4.4 - Determining Directors' Independence***

The NC determines the independence of Directors annually, having regard to the circumstances set forth in Provision 2.1 of the Code. The NC is of the opinion that the Board is able to exercise objective judgment on corporate affairs independently and that the Board's decision-making process is not dominated by any individual or small group of individuals. Please refer to Provision 2.1 of this report for information on the assessment of Directors' independence.

## ***Provision 4.5 - Multiple Board Representations***

The NC considers that the multiple board representations held presently by the Directors and/or their other principal commitments do not impede their performance in carrying out their duties to the Company and it is not necessary at this juncture to put a maximum limit on the number of listed company board representations. The Board has considered and is satisfied that each of the Director is able to and has adequately carried out his duties and responsibilities as a Director of the Company. Information on the listed company directorships and principal commitments (if any) of the Directors are disclosed in the section entitled "Board of Directors" of this Annual Report.

There is no alternate Director on the Board.

## **Board Performance**

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### **Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.**

#### ***Provisions 5.1 and 5.2 - Conduct of Board performance***

The NC has implemented a self-assessment process that requires each Director to assess the performance and effectiveness of the Board as a whole and the Board Committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board, for each financial year. The self-assessment process takes into consideration, amongst others, board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with Shareholders.

Although the Board's performance evaluation does not include a benchmark index of its industry peers, the Board assesses its effectiveness holistically through the completion of a questionnaire by each individual Director which includes questions covering the above-mentioned areas of assessment and takes into consideration the guidelines provided under the Code. The questionnaire has to be completed individually by each Director for each financial year. Thereafter, the Company Secretary collates the Directors' responses in the questionnaires received from each individual Director and prepares a consolidated report to facilitate the review to be conducted by the NC. The NC reviews the responses and results of the questionnaire and discuss collectively with other Board members to address or recommend any areas for improvement and follow-up actions.

For FY2023, the assessment of the performance and effectiveness of the Board as a whole and each of the Board Committees, as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board was undertaken collectively by the Board without the engagement of an external facilitator. Where relevant, the NC will consider such engagement.

The Board, in concurrence with the NC, is satisfied that, for FY2023, the Chairman and each individual Director have allocated sufficient time and attention to the affairs of the Company, and is of the view that the performance and effectiveness of the Board as a whole and each of the Board Committees, as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board have been satisfactory.

# CORPORATE GOVERNANCE REPORT

## 2. REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

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**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

#### *Provisions 6.1 and 6.2 – Remuneration Committee and its activities*

As at the date of this report, the RC comprises the following three (3) Directors, all of whom, including the RC Chairman, are independent:

Jackson Chevalier Yap Kit Siong	Chairman	Independent Non-Executive Chairman
Hor Siew Fu	Member	Independent Non-Executive Director
Yap Chee Wee	Member	Independent Non-Executive Director

The RC met twice in FY2023. During the year, the RC conducted activities in line with its terms of reference as set out below.

The terms of reference of the RC sets out its duties and responsibilities. Amongst others, the RC is responsible for the following:

- (a) review and recommend to the Board, in consultation with the Chairman, for endorsements, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and key management personnel;
- (b) review and recommend to the Board, for endorsement, the specific remuneration packages for each of the Directors and key management personnel;
- (c) ensure that a significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance;
- (d) ensure that performance related remuneration is aligned with the interest of Shareholders and other stakeholders and promotes long-term success of the Company;
- (e) review and recommend Directors' fees for Non-Executive Directors for approval at the AGM;
- (f) ensure that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as time spent and responsibilities;
- (g) review and approve the design of, and the administration of, all performance share plans and/or other equity-based plans;
- (h) ensure that remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company in the long term;
- (i) review the remuneration of employees related to Directors and/or substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, and no preferential treatment is given to him/her; and
- (j) undertake generally such other functions and duties as may be required by law, the Catalist Rules and/or the Code, and by such amendments made thereto from time to time.

# CORPORATE GOVERNANCE REPORT

## ***Provision 6.3 - Review of remuneration***

The RC reviews and recommends to the Board the remuneration packages or policies for the Executive Directors and the key management personnel based on the performance of the Group, as well as the relevant personnel under review. No Director individually decides or is involved in the determination of his/her own remuneration. Each RC member will abstain from voting on any resolution in respect of his/her remuneration package. The RC's recommendations are submitted for endorsement by the Board.

The RC will also review the Company's obligations under the service agreements entered into with the Executive Directors and key management personnel that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

An annual review of the compensation will be carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors (together with other key management personnel) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

In respect of FY2023, the RC met twice to discuss, amongst others, the framework of remuneration for the Executive Directors and key management personnel, as well as the Directors' fees for Non-Executive Directors.

## ***Provision 6.4 - Engagement of remuneration consultants***

The RC has access to advice from the internal human resource department and, if necessary, may seek external expert advice of which the expenses will be borne by the Company. No external remuneration consultant was engaged in FY2023.

## **Level and Mix of Remuneration**

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**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

## ***Provisions 7.1 and 7.3 - Remuneration of Executive Directors and Key Management Personnel***

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and to attract, retain and motivate Executive Directors and key management personnel. The remuneration packages take into account the performance of the Group, as well as the individual personnel.

The remuneration structure for the Executive Directors and key management personnel comprises both fixed and variable components. The fixed component includes a basic salary, whilst the variable component includes variable bonus and performance-linked incentives. In this way, the Company aims to link rewards to corporate and individual performance and performance-related remuneration is aligned with the interests of Shareholders and other stakeholders and promotes the long-term success of the Group.

# CORPORATE GOVERNANCE REPORT

## *Performance Share Plan*

The Company has adopted a performance share plan known as the “Memiontec Performance Share Plan” (“PSP”) on 30 December 2019 in conjunction with the Company’s Listing. The PSP provides eligible participants (“Participants”) with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The PSP forms an integral and important component of the Company’s compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group.

The PSP is administered by the RC. Executive and Non-Executive Directors and key management personnel are eligible to participate in the PSP in accordance with the rules of the PSP.

The awards of shares (“Awards”) given to a particular Participant under the PSP and the number of shares which are the subject of the Awards will be determined at the absolute discretion of the RC, who will take into account criteria such as his/her rank, job performance, years of service, and potential for future development, his/her contribution to the success and development of the Group and the extent of effort and resourcefulness with which the performance condition in relation to that Award (“Performance Condition”) may be achieved within the performance period. The Performance Condition shall be determined at the absolute discretion of the RC, which may comprise factors such as (but not limited to) the market capitalisation or earnings of the Company at specified times. For further information on the PSP, please refer to the section entitled “Memiontec Performance Share Plan” of the Offer Document.

Shareholders’ approvals had been obtained for the participation in the PSP by Mr. Tay Kiat Seng (Executive Director and CEO) and Ms. Soelistyo Dewi Soegiharto (Managing Director), who are the Company’s controlling Shareholders, as well as Ms. Rachel Kwok Xiu Jian, who is an associate of a controlling Shareholder of the Company, at the AGM held on 12 April 2021 and 29 April 2022 respectively. In addition, Shareholders’ approvals had been obtained for the specific grant of awards to each of Mr. Tay Kiat Seng, Ms. Soelistyo Dewi Soegiharto and Ms. Rachel Kwok Xiu Jian at the AGM held on 28 April 2023.

On 5 May 2023, the Company granted Awards of 3,000,000 ordinary shares in the capital of the Company (“PSP Shares”) under the PSP to selected Directors, as well as executive officers and other employees of the Group. As at 31 December 2023, none of the outstanding 3,000,000 Awards granted on 5 May 2023 has been vested. For further information (in respect of Rule 851 of the Catalyst Rules) on the grant of Awards, please refer to the section entitled “Directors’ Statement” of this Annual Report.

### **Provision 7.2 – Remuneration of Non-Executive Directors**

All the Non-Executive Directors (including Independent Directors) are compensated based on a fixed annual Directors’ fee taking into consideration their respective contributions. Directors’ fees for the Non-Executive Directors are proposed by the Executive Directors and reviewed and recommended by the RC, based on the effort, time spent and the responsibilities of each individual Non-Executive Director. No Director is involved in deciding his/her own remuneration. Non-Executive Directors, who are also Independent Directors, have not been over-compensated to the extent that their independence is compromised. The total remuneration of the Non-Executive Directors is recommended for Shareholders’ approval at each AGM. Save for the PSP, there are no other share-based compensation schemes in place for Non-Executive Directors.

Directors’ fees for the Non-Executive Directors (who are also Independent Directors) of an aggregate of up to S\$150,000 for the financial year ending 31 December 2024 (with payments to be made half yearly in arrears) have been recommended by the Board and will be tabled for approval by Shareholders at the forthcoming AGM (FY2023: up to S\$150,000).

### **Disclosure on Remuneration**

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**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

# CORPORATE GOVERNANCE REPORT

## Provision 8.1 - Remuneration Report

### Remuneration of Individual Directors

A breakdown, showing the level and mix of each individual Director's (including the CEO's) remuneration (received from the Company and any of its subsidiaries) for FY2023, is as follows:

	FY2023 Remuneration			Breakdown of Directors' Remuneration				
	Up to S\$250,000	S\$250,001 to S\$500,000	S\$501,000 to S\$750,000	Salary (%)	Bonus (%)	Director's fee (%)	Allowances and other benefits <sup>(1)</sup> (%)	Total (%)
Tay Kiat Seng	-	-	X	65	27	-	8	100
Soelistyo Dewi Soegiharto	-	X	-	67	23	-	10	100
Jackson Chevalier Yap Kit Siong	X	-	-	-	-	100	-	100
Hor Siew Fu	X	-	-	-	-	100	-	100
Loh Eu Tse Derek <sup>(2)</sup>	X	-	-	-	-	100	-	100
Yap Chee Wee <sup>(3)</sup>	X	-	-	-	-	100	-	100

#### Notes:

- (1) Other benefits refer to benefits-in-kind such as fixed allowances and payments in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
- (2) Mr. Loh Eu Tse Derek resigned as an Independent Director with effect from 1 June 2023. The remuneration for Mr. Loh Eu Tse Derek was pro-rated in accordance with his resignation during the financial year.
- (3) Mr. Yap Chee Wee was appointed as an Independent Director with effect from 1 September 2023. The remuneration for Mr. Yap Chee Wee was pro-rated in accordance with his appointment during the financial year.

### Remuneration of Key Management Personnel

A breakdown, showing the level and mix of each of the top four (4) key management personnel's (who are not Directors or the CEO) remuneration (received from the Company and any of its subsidiaries) for FY2023, is as follows:

Name of Executive <sup>(1)</sup>	FY2023 Remuneration			Breakdown of Executives' Remuneration		
	Up to S\$250,000	S\$250,001 to S\$500,000	Salary (%)	Bonus (%)	Allowances and other benefits <sup>(2)</sup> (%)	Total (%)
Lim Wei Kuan	-	X	76	6	18	100
Lee Quang Loong <sup>(3)</sup>	X	-	46	46	8	100
Chua Siong Kiat <sup>(3)</sup>	X	-	86	7	7	100
Irawati Tan	X	-	64	33	3	100

#### Notes:

- (1) There are only four (4) employees identified as key management personnel of the Group in FY2023.
- (2) Other benefits refer to benefits-in-kind such as fixed allowances and payments in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
- (3) Mr. Lee Quang Loong resigned as Chief Financial Officer of the Company with effect from 1 April 2023 and Mr. Chua Siong Kiat was appointed as Chief Financial Officer of the Company with effect from 28 April 2023. The remuneration for Mr. Lee Quang Loong and Mr. Chua Siong Kiat were pro-rated in accordance with their respective resignation or appointment during the financial year.
- (4) The aggregate total remuneration paid to the top four (4) key management personnel (who are not Directors or the CEO) listed above for FY2023 is S\$667,221.

# CORPORATE GOVERNANCE REPORT

There were no termination, retirement and post-employment benefits paid to any Directors and the top four (4) key management personnel (who are not Directors or the CEO) listed above in FY2023.

Save as disclosed above, the Code recommends that the Company should fully disclose the amount and breakdown of remuneration of each individual Director and the CEO on a named basis. The Board has decided not to disclose the aforementioned details as recommended by the Code due to the highly competitive market. The individual remuneration amount of the abovenamed top four (4) key management personnel is also not disclosed for the same reason.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

## ***Provision 8.2 - Remuneration of employees who are substantial Shareholder or are immediate family members of a Director or the CEO or a substantial Shareholder***

Ms. Rachel Kwok Xiu Jian, who is the sister of Ms. Soelistyo Dewi Soegiharto (Managing Director and a substantial Shareholder) and the sister-in-law of Mr. Tay Kiat Seng (Executive Director and CEO, and a substantial Shareholder), has been employed as the Information Technology Manager of Memiontec Pte Ltd (a wholly-owned subsidiary of the Company) since March 2017. She received total remuneration, comprising salary and bonus, in the range between S\$100,000 and S\$200,000 for FY2023.

Save for the above, and that Mr. Tay Kiat Seng and Ms. Soelistyo Dewi Soegiharto are spouses and whose remuneration are disclosed in the above remuneration table for individual Directors and CEO, there is no other employee who is a substantial Shareholder or is an immediate family member of a Director, the CEO or a substantial Shareholder, and whose remuneration exceeded S\$100,000 for FY2023.

## ***Provision 8.3 - Employee Share Scheme***

The Company has adopted the PSP on 30 December 2019, and Executive and Non-Executive Directors as well as key management personnel are eligible to participate in the PSP in accordance with the rules of the PSP. The PSP is administered by the RC. For further information on the PSP, please refer to the section entitled "Memiontec Performance Share Plan" of the Offer Document and Principle 7 of the Code above under "Performance Share Plan".

On 5 May 2023, the Company granted Awards of 3,000,000 PSP Shares under the PSP to selected Directors, as well as executive officers and other employees of the Group. As at 31 December 2023, none of the outstanding 3,000,000 Awards granted on 5 May 2023 has been vested. For further information (in respect of Rule 851 of the Catalyst Rules) on the grant of Awards, please refer to the section entitled "Directors' Statement" of this Annual Report.

## **3. ACCOUNTABILITY AND AUDIT**

### **Accountability and Audit**

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**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.**

## ***Provision 9.1 - Risk Management and Internal Control Systems***

In presenting the audited financial statements and half-year and full-year financial statements announcements to Shareholders, it is the aim of the Board to provide Shareholders with a balanced assessment of the Group's performance, position and prospects. Financial reports and other price-sensitive information are disseminated to Shareholders through announcements via SGXNet and releases via the press. The Management currently provides the Executive Directors and CEO with detailed management accounts of the Group's performance, position and prospects on a regular basis. Independent Non-Executive Directors are also briefed on significant matters when required and receive management reports at least on a half-yearly basis.



# CORPORATE GOVERNANCE REPORT

The Board reviews legislative and regulatory compliance reports from the Management to ensure that the Group complies with the relevant requirements.

In line with the Catalist Rules, the Board will provide a negative assurance statement in its half year financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect. All the Directors and key management personnel of the Group have also signed a letter of undertaking pursuant to Rule 720(1) of the Catalist Rules.

The Board acknowledges that it is responsible for establishing, maintaining and reviewing the effectiveness of the Company's overall internal control framework. The Board also recognises that an effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As the Group does not have a risk management committee, the AC assumes the responsibility of the risk management function. The AC has reviewed, with the assistance of the internal auditors and the external auditors, the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance (including any sanctions-related risk) and information technology controls) and risk management systems.

The Company has put in place risk management and internal control systems, including financial, operational, compliance (including any sanctions-related risk) and information technology controls, which are detailed in formal instructions, standard operating procedures and financial authority limits policies. The Board has determined the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. The Board also monitors the Group's risks through the AC, internal auditors and external auditors.

The Group has an Enterprise Risk Management Framework in place to manage its exposure to risks that are associated with the conduct of its business. The Board will continue its risk assessment, which is an on-going process, with a view to improve the Group's internal controls and risk management systems.

## ***Provision 9.2 - Assurances to the Board***

For FY2023, the Board has received assurance from:

- (a) the CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the CEO and other key Management personnel who are responsible regarding the adequacy and the effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance (including any sanctions-related risk) and information technology controls).

Based on the work performed by the external auditors and the internal auditors, the review undertaken by the Management, the existing management internal controls in place and the assurances from the CEO, the CFO and other key Management personnel, the Board, with the concurrence of the AC, is satisfied that the Group's internal controls (including financial, operational, compliance (including any sanctions-related risk) and information technology controls) and risk management systems were adequate and effective as at 31 December 2023.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

The Group does not have business operations or business activities in a jurisdiction which is subject to sanctions-related law or regulation, or, due to changes in sanctions law, becomes a sanctioned nation.

The Board and the AC will be (i) responsible for monitoring the Company's risk of becoming subject to, or violating any sanctions-related law; and (ii) ensuring timely and accurate disclosures to the SGX-ST and other relevant authorities.

# CORPORATE GOVERNANCE REPORT

## Audit Committee

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### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

#### ***Provisions 10.1 and 10.2 - AC Committee and its activities***

As at the date of this report, the AC comprises the following three (3) Directors, all of whom, including the AC Chairman, are independent:

Hor Siew Fu	Chairman	Independent Non-Executive Director
Jackson Chevalier Yap Kit Siong	Member	Independent Non-Executive Chairman
Yap Chee Wee	Member	Independent Non-Executive Director

The AC met two (2) times in FY2023. During the year, the AC conducted activities in line with its terms of reference and its statutory duties prescribed under Section 201B(5) of the Companies Act 1967 of Singapore as set out hereunder.

#### *Expertise of AC Members*

The Board is of the opinion that all members of the AC (including the AC Chairman) possess the necessary accounting or related financial management qualifications, expertise and experience in discharging their duties. The AC was also briefed on the new accounting standards and other regulations that might impact the Group's consolidated financial statements by the external auditors at the AC meetings.

#### *Roles, Responsibilities and Authorities of AC*

The AC is established to assist the Board with discharging its responsibility of safeguarding the Group's assets, maintaining adequate accounting records, and developing and maintaining effective systems of risk management and internal controls.

The terms of reference of the AC sets out its duties and responsibilities. The principal responsibilities of the AC include, amongst others, the following:

- (a) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the Group's system of internal controls, audit reports, their management letters and the Management's response, and the results of audits compiled by the internal and external auditors, and review at regular intervals with the Management the implementation by the Group of the internal control recommendations made by the internal and external auditors;
- (b) review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;
- (c) assist the Board in risk governance and determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (d) review and report to the Board, at least annually, the adequacy and effectiveness of the Group's internal control procedures (including financial, operational, compliance including sanctions-related risks and information technology controls) and risk management systems and have oversight of the internal control processes of the Group to mitigate and manage risk at acceptable levels determined by the Board;
- (e) review and discuss with the internal auditors and the external auditors, any issues and concerns arising from the internal audits and the external auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and the Management's response;

# CORPORATE GOVERNANCE REPORT

- (f) review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNet;
- (g) review and approve all hedging policies implemented by the Group (if any) and conduct periodic review of foreign exchange transactions and hedging policies and procedures;
- (h) review the co-operation given by the Management to the internal and external auditors, where applicable;
- (i) review the independence and objectivity of the internal and external auditors as well as consider the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- (j) review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and any related party transactions and review procedures thereof;
- (k) review potential conflicts of interests (if any) and set out a framework to resolve or mitigate any potential conflicts of interests;
- (l) review the procedures by which employees of the Group may, in confidence, report to the Independent Non-Executive Chairman, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
- (m) review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;
- (n) review and approve transfer pricing policies implemented by the Group and conduct periodic review of such transfer pricing policies;
- (o) oversee the execution and compliance with the terms and conditions of the Combination Agreements and its associated undertakings (including those from Mr. Tay Kiat Seng and Ms. Soelistyo Dewi Soegiharto);
- (p) review the measures and internal control procedures to safeguard the Group's interests pursuant to the Combination Agreements to ensure their relevance and adequacy;
- (q) monitor any changes in the relevant Indonesian laws and regulations in relation to the foreign ownership restrictions and the resultant implication(s) to the Group;
- (r) review the assurance from the CEO and CFO on the Group's financial records and financial statements;
- (s) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the financial performance;
- (t) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (u) review the whistle-blowing policy and procedures;
- (v) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (w) monitor the use of proceeds from share placements, if any;
- (x) monitor the adequacy of the current system of monitoring debtors' aging profile and ensure that such aspect will be included as part of the review scope for subsequent internal audits;
- (y) monitor the Company's risk of becoming subject to, or violating any sanction law and assess whether there is a need to obtain independent legal advice or appointment of a compliance advisor in relation to sanctions-related risks applicable to the Group;
- (z) ensure timely disclosures to the SGX-ST and other relevant authorities and continuous monitoring of the validity of information provided to Shareholders and the SGX-ST;

# CORPORATE GOVERNANCE REPORT

- (aa) assess the Group's internal controls to ensure the accuracy and reliability of the sustainability information disclosed and evaluate the metrics setting and environmental, social and governance disclosure for sustainability reporting; and
- (bb) undertake generally such other functions and duties as may be required by law, the Catalist Rules and/or the Code, and by such amendments made thereto from time to time.

The AC has the power to conduct or authorise investigations into any matter within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. The AC has full access to and co-operation from Management, has full discretion to invite any Director or key management personnel to attend its meetings and has been given reasonable resources to enable it to discharge its functions. No member of the AC or any Director is involved in the deliberations and voting on any resolutions in respect of matters he/she is interested in.

The role of the AC in relation to financial reporting is to monitor the integrity of the half year and full year financial statements and that of any formal announcements relating to the Group's financial performance. The AC has considered whether accounting standards are consistently applied across the Group and whether disclosures to the financial statements are clear and sufficient.

In the review of the financial statements for FY2023, the AC has reviewed the audit plans and the findings of the external auditors, which included reviews on the accounting and internal control system of the key operating subsidiaries. In addition, the AC has discussed with the Management and the external auditors on significant issues and assumptions that impact the financial statements. The most significant matters have also been included in the Independent Auditor's Report to the Shareholders under "Key Audit Matters", which include revenue recognition and consolidation of PT Memindo Pratama, and trade and other receivables, including contract assets. Following the review, the AC is satisfied that those matters have been properly dealt with and recommended the Board to approve the financial statements.

## *Independence of External Auditors*

The AC reviews the independence and objectivity of the external auditors, PKF-CAP LLP ("**PKF**"), through discussions with the external auditors, as well as an annual review of the volume and nature of non-audit services provided by the external auditors. PKF was first appointed as external auditors at the last AGM held on 28 April 2023 for FY2023 to replace the retiring auditors, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) ("**CLA**").

The fees paid or payable to the Group's external auditors are as disclosed in the table below:

	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>
	S\$'000	S\$'000
Audit fees paid or payable to:		
- Auditors of the Company	108	89
- Other auditors	45	36
Non-audit fees	-	-
	<u>153</u>	<u>125</u>

Note:

- (1) CLA retired as the external auditors of the Company following the conclusion of the last AGM of the Company held on 28 April 2023 and during the same AGM, in replacement of the retiring auditors, PKF was appointed as external auditors of the Company.

The AC confirms that there were no non-audit services provided by the external auditors for FY2023 and was satisfied with the independence and objectivity of the external auditors. Accordingly, the Company has complied with Rule 1204(6)(b) of the Catalist Rules.

# CORPORATE GOVERNANCE REPORT

After considering the audit quality indicators, including but not limited to, adequacy of resources and experience of PKF, the AC is satisfied and has recommended to the Board, and the Board has accepted, the nomination and re-appointment of PKF as the external auditors for the Company's audit obligations for the financial year ending 31 December 2024, subject to Shareholders' approval at the forthcoming AGM. PKF has also confirmed its independence and that it is registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

For FY2023, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the Group's appointment of auditing firms.

## *Whistleblowing Policy*

The Company has in place a whistleblowing policy (the "**Policy**") which provides a framework to promote responsible and secured whistleblowing without fear of adverse consequences. The Policy sets out procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers in confidence and in good faith, without fear of reprisal, discrimination or adverse consequences. Employees (full-time, part-time and contract employees) and third parties such as suppliers, customers, contractors and other stakeholders, may use the procedures set out in the Policy to report any concern or complaint regarding reportable incidents for whistleblowing.

The AC is responsible for oversight and monitoring of whistleblowing. All matters, which are raised in good faith, are independently investigated and appropriate actions are taken. The Chairman of the Board and AC ensure that independent investigations and any appropriate follow-up actions are carried out.

The Group will take all reasonable steps to protect the identity of the whistleblower so as to ensure that the identity of the whistleblower is kept confidential, subject to legal or regulatory requirements. All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations. The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submits a complaint or report in good faith.

Details of this Policy have been disseminated and made available to all employees of the Company, as well as uploaded onto the Company's corporate website.

## **Provision 10.3 - Partners or Directors of the Company's Auditing Firm**

The AC members were not former partners or directors of the Company's external auditors nor do they hold any financial interest in the external auditors.

## **Provision 10.4 - Internal Audit Function**

The Company does not have an in-house internal audit function. For FY2023, the Company outsourced its internal audit function to a professional firm, NLA Risk Consulting Pte Ltd ("**NLA**"). The AC reviews and approves the appointment, termination, evaluation and remuneration of the internal audit function.

The internal auditors report primarily to the AC and administratively to the CEO and CFO on internal audit matters and the AC is empowered to review any of the accounting, auditing and financial practices of the Company and the Group. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the AC.

The internal auditors have submitted their annual audit planning for approval by the AC and report their findings to the AC. The AC approves the annual internal audit plans, and reviews the scope and the results of the internal audit performed by the internal auditors. The AC had reviewed NLA's evaluation of the system of internal controls of the Group, and had evaluated the audit findings and the Management's responses to those findings, the effectiveness of material internal controls (including financial, operational, compliance (including any sanctions-related risk) and information technology controls) and overall risk management of the Group for FY2023.

# CORPORATE GOVERNANCE REPORT

On an annual basis, the AC reviews the independence, adequacy and effectiveness of the internal audit function. For FY2023, the AC is satisfied that the internal audit function is independent, adequately resourced, effective and has the appropriate standing within the Group. The AC is also of the view that the internal audit function is adequately staffed with persons with the relevant qualifications and experience and adheres to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

## ***Provision 10.5 - Meeting with external and internal auditors without presence of the Management***

To create an environment for open discussion on audit matters, the AC will meet with the external auditors and internal auditors, without the presence of Management, at least once a year. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the AC. During its meeting related to FY2023, no matters of concern over Management's interaction or responsiveness were reported. The AC last met with the external auditors and internal auditors without the presence of Management, in February 2024.

## **4. SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

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**Principle 11: The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.**

## ***Provision 11.1 - Providing opportunity for Shareholders to participate and vote at general meetings***

The AGM is a forum for the Board to invite Shareholders to ask questions on the resolutions tabled at the AGM and to express their views. All the Directors will endeavour to attend the AGM and extraordinary general meetings ("EGM"), if any. During these meetings, Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. Simultaneously, the Company is also able to gather views or input and address Shareholders' concerns at general meetings.

Shareholders are encouraged to attend the AGMs/EGMs to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. They are provided with opportunities to ask questions in AGM and the meeting minutes recorded the details of Shareholders' questions and answers. Notice of the AGM/EGM will be advertised in newspapers and/or announced on SGXNet.

Due to the COVID-19 pandemic, the Company's last AGM in respect of FY2022 held on 28 April 2023 ("**2023 AGM**") was held by way of electronic means, through "live" audio-visual webcast and "live" audio-only stream of the 2023 AGM. The notice of 2023 AGM was not published on the newspaper, but was instead disseminated to Shareholders through publication on SGXNet and the Company's corporate website, in accordance with the alternative arrangements for holding of general meetings approved by the relevant authorities. Details of the alternative arrangements for the 2023 AGM were set out in the notice of 2023 AGM. Shareholders participated in the 2023 AGM via electronic means, voting "live" by themselves or by appointing proxies or the Chairman of the 2023 AGM as proxy and sending their questions (if any) in relation to any resolution set out in the notice of 2023 AGM to the Company in advance of, or during, the 2023 AGM. The Company would then provide its responses to the questions (if any) via an announcement on SGXNet and the Company's corporate website. The Company had received questions from a Shareholder as of the cut-off date and time and such questions had been addressed by the Company on 22 April 2023 by way of an announcement released via SGXNet and the Company's corporate website. Subsequent to the cut-off date and time, there were questions received during the 2023 AGM which the Company had addressed during the AGM.

The forthcoming AGM in respect of FY2023 will be convened and held physically at Poolside Lounge, SAF Yacht Club, 43 Admiralty Road West, Singapore 759962. Please refer to the notice of AGM as set out in this Annual Report for more information on how Shareholders may participate the forthcoming AGM in respect of FY2023.

# CORPORATE GOVERNANCE REPORT

## ***Provision 11.2 - Separate resolutions at general meetings***

Matters which require Shareholders' approval were presented and proposed as a separate resolution. The Company practices having separate resolutions at general meetings for each distinct issue. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. No such resolutions were tabled in FY2023. Proxy form is also sent with the notice of general meeting to all Shareholders.

## ***Provision 11.3 - Attendance of Directors and auditors at general meetings***

The Directors, including the Chairman of each of the Board Committee, are available at general meetings of the Company to address Shareholders' queries. The external auditors shall also be present at the AGM to assist the Directors in addressing any relevant queries by the Shareholders. The attendance of the Directors' attendance will be recorded.

All Directors were present at the 2023 AGM. Save for the 2023 AGM, there were no other general meetings of the Company held during FY2023.

## ***Provision 11.4 - Absentia voting***

For greater transparency, the Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

Provision 11.4 of the Code provides that an issuer's Constitution should allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not, however, permit Shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company has not amended its Constitution to provide for absentia voting, as it could be costly to implement, bearing in mind that the Company would need to implement preventive measures to guard against errors, fraud and other irregularities. The Company is of the opinion that despite its deviation from Provision 11.4 of the Code, Shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, Shareholders may appoint proxies to attend, speak and vote, on their behalf, at the respective general meetings. The Company's Constitution allows appointment of proxies for a Shareholder who is absent from a general meeting to exercise his vote in absence through his proxy or proxies. According, the Board is of the view that the Company complies with Principle 11 of the Code.

## ***Provision 11.5 - Minutes of general meetings***

The proceeding of each of the general meetings will be properly recorded by the Company Secretary, including substantial or relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management. These minutes will be subsequently reviewed and approved by the Board and made available to the Shareholders on the Company's corporate website at the appropriate time.

Minutes of the 2023 AGM had been published by the Company on its corporate website and on the SGXNet within one (1) month from the date of the 2023 AGM.

## ***Provision 11.6 - Dividend Policy***

Provision 11.6 of the Code provides that an issuer should have a dividend policy and communicate it to shareholders. The Company does not, however, have a stated policy of distributing a fixed percentage of earnings by way of dividend annually. The Board has recommended a proposed first and final tax-exempt (one-tier) cash dividend of 0.196 Singapore cents per share for FY2023 which will be subject to Shareholders' approval at the forthcoming AGM.

# CORPORATE GOVERNANCE REPORT

Any future dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by the Board:

- (a) the level of the Group's cash and retained earnings;
- (b) the Group's actual and projected financial performance;
- (c) the Group's projected levels of capital expenditure and other investment plans;
- (d) the Group's working capital requirements and general financing condition;
- (e) restrictions on payment of dividends imposed on the Company by the Group's financing arrangements or legal and contractual obligations (if any); and
- (f) the general economic and business conditions in countries in which the Group operates.

Shareholders have the opportunity to communicate their views on matters affecting the Company, including the dividend payout in any given year. Notwithstanding the absence of a stated dividend policy, Shareholders are able to express their views to the Company on matters relating to dividends, whether this is done at AGMs or otherwise, and due consideration is given to such feedback.

## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.**

### ***Provision 12.1 - Avenues for communication between the Board and Shareholders***

The Company believes in timely and accurate dissemination of information to its Shareholders. The Board makes every effort to comply with continuous disclosure obligations of the Company under the Catalist Rules and the Companies Act 1967 of Singapore. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable. Communication to Shareholders is normally made through:

- (a) annual reports or circulars to Shareholders (which include notices of general meetings) are prepared and made available to all Shareholders within the mandatory period;
- (b) annual and half year financial statements announcements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices and explanatory memoranda for general meetings;
- (d) disclosures to the SGX-ST via SGXNet; and
- (e) press releases.

### ***Provisions 12.2 and 12.3 - Investor Relations***

Outside of the financial announcement periods, when necessary and appropriate, the Directors will meet all stakeholders, Shareholders, analysts and media who wish to seek a better understanding of the Group's operations.

The Company does not make price-sensitive disclosure to a selected group. All announcements are released via the SGXNet. The Annual Report, together with the notice of AGM, is also accessible through the SGXNet. The notice of AGM is advertised in a local newspaper, when required, in accordance with the applicable laws and regulations.

To further enhance its communication with the investors, the Company's corporate website <https://www.memiontec.com> allows the public to have access to information on the Group. Alternatively, Shareholders may contact the Company's investor relations team at [IRMR@memiontec.com](mailto:IRMR@memiontec.com).



# CORPORATE GOVERNANCE REPORT

## MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

### ***Provisions 13.1 and 13.2 - Engage with its material stakeholder groups***

The Company's stakeholders include employees, sub-contractors and suppliers, customers, government and regulators, communities, Shareholders and investors, banks and business partners. The Company engages these stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company maintains contacts with its customers, suppliers and subcontractors by attending business events and through direct site meetings. The site meetings take place as and when required and at least once annually.

The Company engages with its creditors as and when required by email, social media and the Company's corporate website.

Recognising that employees are key assets of the Company, the Company maintains close relationships with all employees via townhall, teambuilding events and etc.

The Sustainability Report for FY2023 can be found in the section entitled "Sustainability Report" of this Annual Report. The Company believes that it is well aware of its stakeholders' expectations in respect of sustainable issues and works hard to be seen as a responsible corporate citizen in respect of environmental, social and governance factors.

### ***Provision 13.3 - Corporate website to communicate and engage with stakeholders.***

The Company maintains a corporate website to communicate and engage with stakeholders at <https://www.memiontec.com>, where information such as corporate information, the Group's business and services, project references and investors' information can be found.

## 5. INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Company's interested person transactions ("IPTs").

All IPTs are reported in a timely manner to the AC and are subject to the review of the AC when a potential conflict of interest arises. The IPTs are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Director(s) concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Group does not have a general mandate from Shareholders for IPTs pursuant to Rule 920 of the Catalyst Rules. Notwithstanding this, the Group had entered into certain IPTs, details of which were duly disclosed in the Offer Document, in the section entitled "Interested Person Transactions – Present and On-going Interested Person Transactions".

There were no IPTs entered into between the Company or its subsidiary corporations and any of its interested persons exceeding S\$100,000 during FY2023.

## 6. MATERIAL CONTRACTS

Save as disclosed in the Offer Document (including the service agreements entered into between each of the Executive Directors and the Company), there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interests of any Director, the CEO or controlling Shareholder which are either still subsisting as at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2022.

# CORPORATE GOVERNANCE REPORT

## 7. DEALINGS IN SECURITIES

The Company has adopted an internal securities code of compliance to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities pursuant to Rule 1204(19) of the Catalist Rules, in relation to the best practices on dealings in the securities, as follows:

- (a) the Company had devised and adopted its own internal compliance code to provide guidance to its Directors and officers with regards to dealings by the Company, its Directors and its officers in its securities, as well as to set out the implications on insider trading;
- (b) Directors and officers of the Company are discouraged from dealing in the Company's securities on short-term considerations; and
- (c) the Company, the Directors and its officers are prohibited from dealing in the Company's securities (i) during the periods commencing one month before the announcement of the Company's half year and full year financial statements, and ending on the date of the announcement of the relevant financial results; and (ii) if they are in possession of unpublished price-sensitive information of the Group. Half-yearly reminders will be sent to its Directors and employees on the restrictions in dealings in listed securities of the Company.

## 8. NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's sponsor, ZICO Capital Pte. Ltd., for FY2023.

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# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited consolidated financial statements of Memiontec Holdings Ltd. (the "Company") and its subsidiary corporations (collectively, the "Group") and statement of financial position of the Company as at 31 December 2023, and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 98 to 161 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the consolidated financial performance, changes in equity and cash flows of the Group and of the changes in equity of the Company for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are:

Jackson Chevalier Yap Kit Siong	(Independent Non-Executive Chairman)
Tay Kiat Seng	(Chief Executive Officer)
Soelistyo Dewi Soegiharto	
Hor Siew Fu	
Yap Chee Wee	(Appointed on 1 September 2023)

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2023	At 1.1.2023	At 31.12.2023	At 1.1.2023
<b>The Company</b>				
<u>(No. of ordinary shares)</u>				
Tay Kiat Seng	296,676,888	348,861,099	79,369,662	79,369,662
Soelistyo Dewi Soegiharto	104,425,239	104,425,239	-	-

By virtue of Section 7 of the Singapore Companies Act 1967, Mr. Tay Kiat Seng is deemed to have an interest in all the subsidiary corporations of the Company.

The directors' interests in the shares of the Company as at 21 January 2024 were the same as at 31 December 2023.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## Performance share plan

On 30 December 2019, the Company adopted the Memiontec Performance Share Plan (the "PSP") to primarily reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group.

The PSP are administrated by the Remuneration Committee of the Company, whose members include Mr Jackson Chevalier Yap Kit Siong, Mr Hor Siew Fu and Mr Yap Chee Wee. Executive and Non-Executive Directors as well as key management personnel are eligible to participate in the PSP in accordance with the rules of the PSP. The PSP shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten years commencing from the adoption date. No minimum vesting periods are prescribed under PSP and the length of the vesting period in respect of each PSP shall be determined on a case-by-case basis.

On 6 May 2022, the Company granted awards of 1,000,000 ordinary shares in the capital of the Company ("2022 PSP Shares") under the Memiontec Performance Share Plan ("2022 Awards") to selected Directors, as well as executive officers and other employees of the Group. On 24 May 2022, pursuant to the rules of the Memiontec Performance Share Plan, following the completion of the Share Split, the number of 2022 PSP Shares which were the subject of the outstanding 2022 Awards was adjusted from 1,000,000 to 3,000,000. The 2022 Awards lapsed on 5 May 2023 and the Company subsequently granted awards of 3,000,000 ordinary shares in the capital of the Company ("2023 PSP Shares") on the same day under the Memiontec Performance Share Plan ("2023 Awards"). These 2023 Awards will vest one year from the grant date, subject to satisfaction of the vesting condition on the Group's achievement of certain predetermined financial and performance targets for the financial year ended 31 December 2023 determined by the Remuneration Committee of the Company.

The table below summarises the number of 2023 Awards that have been granted as at the end of the financial year as well as movements during the financial year:

Participants	Share awards granted at the start of the financial year under review	Share awards lapsed during the financial year under review	Share awards granted during the financial year under review	Aggregate share awards granted since commencement of scheme to the end of the financial year under review	Aggregate share awards released since the commencement of scheme to the end of the financial year under review	Aggregate share awards not yet released at the end of the financial year under review
<b>Directors (who are also Controlling Shareholders) and Associates</b>						
Tay Kiat Seng	900,000	(900,000)	900,000	1,800,000	-	900,000
Soelistyo Dewi Soegiharto	540,000	(540,000)	540,000	540,000	-	540,000
Rachel Kwok Xiu Jian	48,750	(48,750)	48,750	97,500	-	48,750
<b>Other participants</b>						
Group employees	1,511,250	(1,511,250)	1,511,250	3,022,500	-	1,511,250
	<b>3,000,000</b>	<b>(3,000,000)</b>	<b>3,000,000</b>	<b>6,000,000</b>	<b>-</b>	<b>3,000,000</b>

As at 31 December 2023, none of the outstanding 3,000,000 2023 Awards has been vested.

Except as disclosed above, there were no awards granted to (a) controlling shareholders and Directors of the Company, (b) associates of the controlling shareholders and (c) Directors of its subsidiary corporations from the commencement of the PSP to the end of the financial year.

No individual has been granted awards representing 5.0% or more of the total number of awards available under the PSP during the financial year.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## Audit committee

The Audit Committee ("AC") of the Company comprises three non-executive independent directors. The members of the Audit Committee at the end of the financial year and the date of this statement are:

Hor Siew Fu (AC Chairman)  
Jackson Chevalier Yap Kit Siong  
Yap Chee Wee

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- (a) Reviewed the audit plans and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;
- (b) Reviewed the Group's financial and operating results and accounting policies;
- (c) Reviewed the audit plans of the independent auditor;
- (d) Reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and independent auditor's report on those financial statements;
- (e) Reviewed the half-yearly and annual announcements of the results and financial position of the Company and the Group;
- (f) Reviewed the co-operation and assistance given by management to the Group's independent auditor and internal auditors; and
- (g) Reviewed the re-appointment of the independent auditor of the Company.

The AC has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor and internal auditors have unrestricted access to the AC.

Further details regarding the AC are disclosed in the Corporate Governance Report.

## Independent auditor

The independent auditor, PKF-CAP LLP ("PKF") has been nominated to be the auditors of the Company for the ensuing year. The appointment of PKF is subject to shareholders' approval at the forthcoming Annual General Meeting.

On behalf of the directors

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Tay Kiat Seng  
Director

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Soelistyo Dewi Soegiharto  
Director

5 April 2024

# INDEPENDENT AUDITOR'S REPORT

to the Members of Memiontec Holdings Ltd.

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of Memiontec Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and the notes to the financial statements, including a summary of material accounting policy information, as set out on pages 98 to 161.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Revenue from total solutions with engineering, procurement and construction ("TSEPC") projects**

*Refer to Notes 3.13, 4(a) and 25 to the financial statements*

#### Area of focus

During the financial year ended 31 December 2023, revenue from TSEPC projects amounted to approximately 63.6 million, which represented 95% of the Group's revenue.

The Group recognises revenue from TSEPC projects over time by applying cost-to-cost method, i. e. based on the proportion of actual contract costs incurred for work performed to-date relative to the estimated total contract costs ("input method") to measure the Group's progress towards complete satisfaction of a performance obligation over the period of the projects in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.

Revenue from TSEPC projects is identified as one of the key audit matters due to the involvement of significant judgement by management in estimating the total contract costs, the key component in determining the progress of completion of each project which are subject to uncertainty and subjectivity. Additionally, revenue from TSEPC projects is the most significant financial item in the Group's financial statements and a key performance indicator of the Group, hence, inappropriate judgement and/or estimates used could result in a significant impact to the Group's financial statements.

# INDEPENDENT AUDITOR'S REPORT

to the Members of Memiontec Holdings Ltd.

## *Key Audit Matters (Continued)*

### How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- Evaluated the effectiveness of key controls over revenue cycle and performed test of controls to ascertain the reliabilities of such key controls;
- Reviewed the appropriateness of the Group's revenue recognition policy and reviewed samples of major contracts to assess the compliance with relevant requirements of SFRS(I) 15 *Revenue from Contracts with Customers*;
- In relation to the contract costs, we
  - performed substantive tests of details and cut-off procedures, on sampling basis, and verified that actual costs incurred were recorded appropriately and in the correct accounting period;
  - assessed the reasonableness of the total contract costs estimated by management, and on a sampling basis, agreed the estimates to supporting documents; and
  - performed review on completed projects, on sampling basis, by comparing total actual contract costs incurred at completion against the total budgeted contract costs to assess the reasonableness of the estimates used by the management.
- In relation to revenue recognised during the financial year, we
  - agreed the contract sum or any variation orders to the signed contracts;
  - re-computed the percentage of completion of each project based on input method to assess the reasonableness of management's computation for revenue recognition; and
  - re-computed the revenue recognised, on sampling basis, by multiplying the contract sum (and variation order, if any) with the percentage of completion for each project.
- Discussed with management on any potential project delays and assessed for cost overruns which cannot be recovered from customers;
- Compared the total contract revenue to actual costs incurred plus estimated costs to complete and assessed for onerous contracts; and
- Assessed the appropriateness and adequacy of the disclosure made in the consolidated financial statements.

### **Consolidation of the financial of PT Memindo Pratama ("PTMP")**

*Refer to Notes 4 and 13(f) to the financial statements*

### Area of focus

As disclosed in Note 13(f) to the financial statements, the Group consolidates PTMP as a subsidiary corporation even though the Group has no equity ownership interests in PTMP.

Since 2019, management had assessed that the Group has established control over PTMP on the basis that the Group has:

- (i) the power to direct the relevant activities of PTMP by appointment of key management personnel of PTMP; and
- (ii) has rights to variable returns from its involvement with PTMP through a loan extended to PTMP together with loan securities documents (collectively, "Combination Agreements") and undertaking agreements ("Undertaking Agreements").



# INDEPENDENT AUDITOR'S REPORT

to the Members of Memiontec Holdings Ltd.

## *Key Audit Matters (Continued)*

In addition, management had obtained legal opinions from Nurjadin Sumono Mulyadi Partners (“NSMP”) and Soewito Suhardiman Eddymurthy Kardono to support its control over PTMP. Management was of the view, considering these legal opinions and subject to the assumptions and qualifications set out therein, that the corporate structure of the Group complied with the prevailing Indonesian laws and regulations and that the Combination Agreements and Undertaking Agreements were legal and enforceable under the prevailing Indonesian laws and regulations (“Relevant Laws”) in 2019.

In 2021, there are changes to the Indonesian laws and regulations arising from the *Act Number 11 of 2020 on Job Creation*, which is also known as the *Omnibus Law*. Despite these changes, management has reassessed that the control over PTMP remains unchanged and it is confirmed by a legal opinion obtained from NSMP in 2021. The legal opinion concluded that the existing corporate structure and the arrangement under the Combination Agreements and Undertaking Agreements remain legal and enforceable under the *Omnibus Law*. Accordingly, management concluded that there is no change to the control assessment over PTMP.

In 2022 and 2023, the management conducted an internal legal review and sought opinion from an Indonesian external legal counsel, Akhmad Yuhdi, S.H. M.H., & Partners, who confirmed that there have been no alterations to the Indonesian laws and regulations in the current financial year. Based on these assessments, management has concluded that there has been no changes to the relevant laws and regulation, and as a result, there has been no impact to the Group's control over PTMP in current financial year.

Consolidation of financials of PTMP is identified as one of the key audit matters as establishing control over PTMP involved significant judgements from management and any change in management's assessment of control will result in significant impact to the Group.

## How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- Assessed and evaluated management's judgement and related accounting treatment on the control over PTMP;
- Reviewed the relevant supporting documents (i.e., Combination Agreements and Undertaking Agreements) that demonstrate the Group's control over PTMP;
- Obtained and reviewed the recent legal opinion from Akhmad Yuhdi, S.H. M.H., & Partners;
- Evaluated Akhmad Yuhdi, S.H. M.H., & Partners' independence, objectivity and competency; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

## **Trade and other receivables, including contract assets**

*Refer to Notes 4(b), 8 and 9 to the financial statements*

### Area of focus

The trade and other receivables, including contract assets of the Group as at 31 December 2023 amounted to approximately \$33.0 million (2022: \$19.8 million). Management has performed an impairment review based on the expected credit loss (“ECL”) model and based on the review, there is no additional impairment required on trade receivables.

We identified this as a key audit matter as the assessment of the determination of ECL requires management to exercise significant judgement and estimation. In determining the credit quality and whether any significant increase in credit risk occurs, the standard requires both forward-looking and historical information to be considered.

# INDEPENDENT AUDITOR'S REPORT

to the Members of Memiontec Holdings Ltd.

## *Key Audit Matters (Continued)*

### How our audit addressed the area of focus

We performed an evaluation of the Group's policies and procedures in assessing impairment of financial assets.

- For accounts receivable and contract assets assessed individually, we reviewed, on a sample basis, documents for supporting management's assessment of the respective financial position and creditworthiness of the customers, historical payment and settlement records, and forecasted future economic conditions, in order to assess the reasonableness of expected credit loss allowance provided by management;
- For accounts receivable and contract assets assessed collectively by making reference to the credit risk characteristics, we assessed the reasonableness of the grouping, and the respective expected credit losses provision made by management by reviewing, on a sample basis, documents and information, such as historical credit losses incurred, historical payment and receipt subsequent to year end of accounts receivable and contract assets, current conditions and forward-looking factors;
- We also evaluated the adequacy of disclosure in the financial statements.

## *Other Matter*

The financial statements of the Company for the year ended 31 December 2022 were audited by another firm of auditors who expressed unmodified opinion on those statements on 3 April 2023.

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITOR'S REPORT

to the Members of Memiontec Holdings Ltd.

## *Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Lee Eng Kian.

**PKF-CAP LLP ("PKF")**  
**Public Accountants and Chartered Accountants**

**Singapore**  
**5 April 2024**

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>Revenue</b>	25	66,850	42,787
Cost of sales		(57,565)	(34,154)
<b>Gross profit</b>		9,285	8,633
Other income	26	323	231
General and administrative expenses		(5,140)	(4,668)
Share of (loss)/profit of a joint venture		(110)	128
Finance costs	27	(127)	(122)
Other operating expenses	28	(311)	(696)
<b>Profit before income tax</b>		3,920	3,506
Income tax expense	29	(683)	(936)
<b>Net profit for the financial year</b>		3,237	2,570
<b>Other comprehensive loss</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement of defined benefit obligations	20	-	(5)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange losses on translation of foreign operations		(162)	(962)
<b>Other comprehensive loss for the financial year, net of tax</b>		(162)	(967)
<b>Total comprehensive income for the financial year</b>		3,075	1,603
<b>Net profit for the financial year attributable to:</b>			
Owners of the Company		3,235	2,551
Non-controlling interests		2	19
		3,237	2,570
<b>Total comprehensive income for the financial year attributable to:</b>			
Owners of the Company		3,075	1,593
Non-controlling interests		-	10
		3,075	1,603
<b>Earnings per share</b>			
Basic and diluted (cents)	31	0.49	0.39

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	7	13,967	13,334	160	261
Trade and other receivables	8	5,857	8,020	7,672	8,071
Contract assets	9	27,132	11,756	-	-
Inventories	10	2,565	32	-	-
<b>Total current assets</b>		<b>49,521</b>	<b>33,142</b>	<b>7,832</b>	<b>8,332</b>
<b>Non-current assets</b>					
Property, plant and equipment	11	1,217	1,357	1	2
Right-of-use assets	12	314	390	-	-
Investment in subsidiary corporations	13	-	-	6,243	6,040
Investment in a joint venture	14	3,103	2,503	-	-
Financial asset, at fair value through other comprehensive income ("FVOCI")	16	983	776	-	-
Deferred tax assets	21	64	65	-	-
<b>Total non-current assets</b>		<b>5,681</b>	<b>5,091</b>	<b>6,244</b>	<b>6,042</b>
<b>Total assets</b>		<b>55,202</b>	<b>38,233</b>	<b>14,076</b>	<b>14,374</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	17	19,794	12,892	1,939	2,204
Contract liabilities	9	1,567	998	-	-
Lease liabilities	18	188	199	-	-
Borrowings	19	9,726	1,431	-	-
Income tax payable		543	370	12	6
<b>Total current liabilities</b>		<b>31,818</b>	<b>15,890</b>	<b>1,951</b>	<b>2,210</b>
<b>Non-current liabilities</b>					
Lease liabilities	18	148	244	-	-
Borrowings	19	1,182	2,387	-	-
Retirement benefit obligations	20	392	345	-	-
<b>Total non-current liabilities</b>		<b>1,722</b>	<b>2,976</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>33,540</b>	<b>18,866</b>	<b>1,951</b>	<b>2,210</b>
<b>NET ASSETS</b>		<b>21,662</b>	<b>19,367</b>	<b>12,125</b>	<b>12,164</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	22	12,092	12,092	12,092	12,092
Translation reserve	23	(1,576)	(1,416)	-	-
Other reserves	24	(914)	(914)	-	-
Retained earnings		12,000	9,545	33	72
<b>Equity attributable to owners of the Company</b>		<b>21,602</b>	<b>19,307</b>	<b>12,125</b>	<b>12,164</b>
Non-controlling interests		60	60	-	-
<b>Total equity</b>		<b>21,662</b>	<b>19,367</b>	<b>12,125</b>	<b>12,164</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Share capital \$'000 (Note 22)	Translation reserve \$'000 (Note 23)	Other reserves \$'000 (Note 24)	Retained earnings \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total \$'000
<b>2023</b>							
<b>Beginning of financial year</b>	12,092	(1,416)	(914)	9,545	19,307	60	19,367
<i>Total comprehensive income for the financial year:</i>							
- Profit for the financial year	-	-	-	3,235	3,235	2	3,237
- Other comprehensive loss for the financial year	-	(160)	-	-	(160)	(2)	(162)
<b>Total</b>	-	(160)	-	3,235	3,075	-	3,075
<i>Transactions with owners, recognised directly in equity:</i>							
- Dividends (Note 32)	-	-	-	(780)	(780)	-	(780)
<b>End of financial year</b>	12,092	(1,576)	(914)	12,000	21,602	60	21,662
<b>2022</b>							
<b>Beginning of financial year</b>	12,092	(463)	(914)	7,459	18,174	50	18,224
<i>Total comprehensive income for the financial year:</i>							
- Profit for the financial year	-	-	-	2,551	2,551	19	2,570
- Other comprehensive loss for the financial year	-	(953)	-	(5)	(958)	(9)	(967)
<b>Total</b>	-	(953)	-	2,546	1,593	10	1,603
<i>Transactions with owners, recognised directly in equity:</i>							
- Dividends (Note 32)	-	-	-	(460)	(460)	-	(460)
<b>End of financial year</b>	12,092	(1,416)	(914)	9,545	19,307	60	19,367

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Company	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
<b>2023</b>				
<b>Beginning of financial year</b>	12,092	-	72	12,164
Profit for the financial year, representing total comprehensive income for the financial year	-	-	741	741
<i>Transactions with owners, recognised directly in equity:</i>				
- Dividends (Note 32)	-	-	(780)	(780)
<b>End of financial year</b>	<b>12,092</b>	<b>-</b>	<b>33</b>	<b>12,125</b>
<b>2022</b>				
<b>Beginning of financial year</b>	12,092	-	87	12,179
Profit for the financial year, representing total comprehensive income for the financial year	-	-	445	445
<i>Transactions with owners, recognised directly in equity:</i>				
- Dividends (Note 32)	-	-	(460)	(460)
<b>End of financial year</b>	<b>12,092</b>	<b>-</b>	<b>72</b>	<b>12,164</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		3,920	3,506
Adjustments for:			
- Depreciation of property, plant and equipment	11	182	176
- Depreciation of right-of-use assets	12	169	181
- Defined benefit obligation costs	20	52	38
- Share of profit/(loss) of a joint venture		110	(128)
- Interest expense	27	127	122
- Interest income	26	(113)	(112)
- Loss allowance on trade receivables and contract assets	28	-	232
- Unrealised currency translation loss		55	-
		4,502	4,015
Changes in working capital:			
Trade and other receivables		2,163	423
Contract assets		(15,376)	(5,927)
Inventories		(2,533)	114
Trade and other payables		6,810	2,568
Contract liabilities		569	(276)
Cash (used in)/generated from operations		(3,865)	917
Income tax paid		(418)	(683)
<b>Net cash (used in)/generated from operating activities</b>		<b>(4,283)</b>	<b>234</b>
<b>Cash flows from investing activities</b>			
Equity injection into joint venture	14	(729)	-
Equity injection into financial asset, at FVOCI	16	(219)	(112)
Purchase of property, plant and equipment	11	(68)	(91)
Addition of right-of-use assets		(33)	(48)
Interest received		113	112
<b>Net cash used in investing activities</b>		<b>(936)</b>	<b>(139)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(127)	(110)
Dividends paid		(780)	(460)
Repayments of borrowings		(5,572)	(1,153)
Repayments of lease liabilities		(168)	(139)
Proceeds from borrowings		12,662	250
Placement of fixed deposits pledged		(928)	-
<b>Net cash generated from/(used in) financing activities</b>		<b>5,087</b>	<b>(1,612)</b>
Net decrease in cash and cash equivalents		(132)	(1,517)
Cash and cash equivalents at beginning of the financial year		11,925	14,055
Effect of exchange rate changes on the balance of cash held in foreign currencies		(27)	(613)
<b>Cash and cash equivalents at end of the financial year</b>	7	<b>11,766</b>	<b>11,925</b>

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT CASH FLOWS

For the financial year ended 31 December 2023

## Reconciliation of liabilities arising from financing activities

	Beginning of financial year \$'000	Net of proceeds from/ (repayment of) principal and interests \$'000	Non-cash changes			End of financial year \$'000
			Interest expenses \$'000	Additions \$'000	Exchange differences \$'000	
<b>2023</b>						
Lease liabilities (Note 18)	443	(189)	21	61	-	336
Borrowings (Note 19)	3,818	6,992	98	-	-	10,908
Amount due to directors (Note 17)	174	(182)	8	-	-	-
	4,435	6,621	127	61	-	11,244
<b>2022</b>						
Lease liabilities (Note 18)	505	(158)	19	84	(7)	443
Borrowings (Note 19)	4,721	(994)	91	-	-	3,818
Amount due to directors (Note 17)	176	-	12	-	(14)	174
	5,402	(1,152)	122	84	(21)	4,435

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General information

The Company 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 consolidated financial statements are expressed in Singapore Dollar (“\$”), which is also the functional currency of the Company. All financial information presented in \$ have been rounded to the nearest thousand, unless otherwise stated.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary corporations, joint venture and joint operations are disclosed in Notes 13, 14 and 15 respectively to the financial statements.

These financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 5 April 2024.

## 2. Adoption of new standards and revised standards

On 1 January 2023, the Group and the Company have adopted all the new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are relevant to its operations. The adoption of these new/revised SFRS(I)s and INT SFRS(I) 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 financial years.

### New and amendments to SFRS(I)s in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not early adopted the following new and revised SFRS(I) that have been issued but are not yet effective:

#### Effective for annual periods beginning on or after 1 January 2024

SFRS(I) 1-1	<i>Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current</i>
Various	<i>Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants</i>
SFRS(I) 16	<i>Amendments to SFRS(I) 16: Lease Liability in a Sales and Leaseback</i>
SFRS(I) 1-7	<i>Amendments to SFRS(I) 1-7 &amp; SFRS(I) 7: Supplier finance arrangements</i>

#### Effective date to be determined

Amendments to SFRS(I) 1-10	<i>Consolidated Financial Statements</i>
Amendments to SFRS(I) 1-28	<i>Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)</i>

The directors do not expect that the adoption of the Standards and Interpretations listed above that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group, to have a material impact on the financial statements of the Group and the Company in future periods and on foreseeable future transactions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information

### 3.1 Basis of accounting

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

### 3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary corporations. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.2 Basis of consolidation (Continued)

- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary corporation and ceases when the Company loses control of the subsidiary corporation. Specifically, the results of subsidiaries acquired or disposed of during the financial year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary corporation.

When necessary, adjustments are made to the financial statements of subsidiary corporations to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiary corporations are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary corporations is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the company.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable SFRS(I) Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investment in subsidiary corporations and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.4 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the group may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.4 Financial instruments (Continued)

#### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'Other income – interest income' line item.

#### *Equity instruments designated as at FVOCI*

On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with SFRS(I) 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other Income' line item in profit or loss.

The group designated all investments in equity instruments that are not held for trading as at FVOCI on initial recognition (Note 16).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.4 Financial instruments (Continued)

#### *Equity instruments designated as at FVOCI (Continued)*

A financial asset is held for trading if either:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

#### *Financial assets at FVPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVPL. Specifically:

- Investments in equity instruments are classified as at FVPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVPL.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'Other gains and losses' line item.

#### Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVOCI, exchange differences are recognised in other comprehensive income.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables and contract assets. The amount of expected credit losses is reviewed at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL (simplified approach) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.4 Financial instruments (Continued)

*Financial assets at FVPL (Continued)*

Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomics factors affecting the ability of the customers to settle the receivables.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*Definition of default*

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.4 Financial instruments (Continued)

#### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a breach of contract, such as a default or past due event;
- significant financial difficulty of the issuer or the borrower; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### *Measurement and recognition of expected credit losses*

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve under equity is not reclassified to profit or loss, but is transferred to retained earnings.

### 3.5.1 Financial liabilities and equity

#### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.5.1 Financial liabilities and equity (Continued)

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

#### Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs in Note 3.14 to the financial statements.

#### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in statement of comprehensive income.

#### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired.

### 3.5.2 Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

## 3.6 Leases

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the statements of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.6 Leases (Continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.9 to the financial statements.

### 3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represent the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of Inventories to the lower of cost and net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

	Number of years
Leasehold property	Over terms of lease of 30 years
Water treatment facility	25
Renovation	3 – 10
Machinery and equipment	3 – 5
Office equipment, furniture and fittings	3 – 5
Motor vehicles	4 – 10
Computers	5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the consolidated financial statements.

The gain or loss arising on disposal or retirement of an item of asset is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

### 3.9 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income to the extent that eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.10 Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9 *Financial Instruments*. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the joint venture is disposed off.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.10 Joint venture (Continued)

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

### 3.11 Interests in a joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under a joint operation, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the SFRS(I)s applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

### 3.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.13 Revenue

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15 *Revenue from Contracts with Customers*, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs; or
- the entity’s performance creates and enhances an asset that the customer controls as the Company performs; or
- the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point-in-time when the customer obtains control of the distinct good or service.

The Group recognises revenue from the following major sources:

- Revenue from total solutions with engineering, procurement and construction (“TSEPC”) projects
- Revenue from Operation, maintenance and service of water and wastewater treatment plants (“OMS”)
- Sales and distribution of water treatment systems and trading (“SDS & Trading”)
- Sales of water (“SOW”)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.13 Revenue (Continued)

#### Revenue from TSEPC projects

The Group provides total solutions with engineering, procurement and construction services in the fields of water and wastewater treatment management under contracts with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the Group is contractually required to perform the services at the customers' specified sites that the Group's performance creates or enhances an asset that the customer controls as the Group performs. Revenue from provision of such services is therefore recognised over time using input method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs ("input method") to measure the Group's progress towards complete satisfaction of a performance obligation and recognise revenue over time in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. Management of the Group considers that input method would faithfully depict the Group's performance towards complete satisfaction of these performance obligation under SFRS(I) 15 *Revenue from Contracts with Customers*.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not unconditional. It is assessed for impairment in accordance with SFRS(I) 9 *Financial Instruments*. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

#### OMS

Revenue from OMS services is recognised as performance obligation satisfied over time in the accounting period when the services are rendered.

#### SDS & Trading

Revenue from SDS & Trading is recognised at the point in time when the control of the goods is transferred to the customers.

#### SOW

Revenue from sales of potable water is recognised at the point in time based on volume delivered to the customers based on meter readings.

#### Dividend income

Dividend income is recognised when the right to receive payment is established.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Construction revenue from service concession arrangements

Construction revenue relates to a service concession arrangement entered by a joint venture with a Indonesian state-owned enterprise to construct and operate a water treatment plant, accounted for under SFRS(I) INT 12 *Service Concession Arrangements*. Construction revenue is recognised over time using the cost-based input method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.13 Revenue (Continued)

#### Finance income from service concession arrangements

Financial income from service concession arrangement is recognised when it is probable that the economic benefits will flow to the joint venture and the amount of income can be measured reliably. Financial income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.15 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3.16 Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. Payments made to state-managed retirement benefit plants are accounted for as payment to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out as at each reporting date. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the consolidated statement of financial position with a charge or credit in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gain or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are split into three categorised:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.16 Retirement benefit costs (Continued)

The Group presents the first two components of defined benefit costs in profit or loss in the line item "general and administrative expenses". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 3.17 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

### 3.18 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group operates by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax laws and rate that have been enacted or substantively enacted at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.18 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.19 Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional currency of the Company and presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see above under hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rate prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the company are reclassified to profit or loss

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.20 Cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand, cash at banks and deposits, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### 3.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### 3.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to members of management and the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

### 3.23 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are measured initially at their fair values and, if not designated as at FVPL and do not arise from a transfer of a financial asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

### 3.24 Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### 3.25 Service Concession Arrangement

The Group's service concession arrangement is held by a joint venture. Public-to-private service concession arrangement is accounted for under SFRS(I) INT 12 *Service Concession Arrangements* if the following two conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement.

The nature of the consideration from the grantor determines its subsequent accounting treatment. The consideration may be a right to (a) a financial asset; (b) an intangible asset; or (c) hybrid of a financial asset and an intangible asset. The joint venture's service concession arrangement relates to a financial asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Material accounting policy information (Continued)

### 3.25 Service Concession Arrangement (Continued)

Financial assets arising from service concession arrangements represent the amounts due from the grantor for services provided by the Group in connection with service concession arrangements where the Group has an unconditional right to receive cash from the grantor. Financial assets arising from service concession arrangements are measured by the joint venture in accordance with accounting policies in Note 3.5.1; whereas construction revenue and finance income arising from service concession arrangements are recognised by the joint venture based on revenue recognition policy in Note 3.13.

## 4. Critical accounting estimates, assumptions and judgements

In the application of the Group's accounting policies which are described in Note 3, 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 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.

### ***Critical judgements in applying the Group's accounting policies***

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### Control over PTMP

As disclosed in Note 13(f) to the financial statements, the Group consolidates PTMP as a subsidiary corporation 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 PTMP through the appointment of key management personnel of PTMP, has the rights to variable returns from its involvement with PTMP and has the ability to affect those returns through its power over PTMP.

### ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### (a) *Revenue recognition of 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 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. 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 reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. Critical accounting estimates, assumptions and judgements (Continued)

### *Key sources of estimation uncertainty (Continued)*

#### (a) *Revenue recognition of TSEPC contracts (Continued)*

The amount of revenue recognised based on input method for the financial year ended 31 December 2023 and the carrying amounts of contract assets and contract liabilities arising from TSEPC contracts as at 31 December 2023 are disclosed in Notes 25 and 9 to the financial statements, respectively.

#### (b) *Estimated impairment of trade receivables, other receivables and contract assets*

The Group assesses at each reporting date, the allowance required for trade receivables, other receivables and contract assets. The expected credit loss on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The carrying amounts of trade receivables, other receivables and contract assets of the Group as at 31 December 2023 are disclosed in Notes 8 and 9 to the financial statements, respectively.

#### (c) *Impairment of investments in subsidiary corporations and joint venture*

The Group and the Company follow the guidance in SFRS(I) 1-36 *Impairment of Assets* on determining at least on an annual basis whether the Company's investments in subsidiary corporation and the Group's investments in joint venture are impaired. Management evaluates, among other factors, the market and economic environment in which the subsidiary corporations and joint venture operate and the financial performance of the subsidiary corporations and joint venture to determine whether there are indicators of impairment 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. 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 subsidiary corporations and joint venture if it cannot be reliably measured using market and income approaches.

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 carrying amounts of the investments in subsidiary corporations and joint venture as at 31 December 2023 are disclosed in Notes 13 and 14 to the financial statements, respectively.

#### (d) *Income tax and deferred tax*

The Group is subject to income taxes in Singapore, Indonesia and China. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and deductibility of certain expense ("uncertain tax positions") in each jurisdiction. Where the final tax outcome of these matters is different from the amounts that were initially recognised,

such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amounts of the current tax and deferred tax provision are disclosed in the statement of financial position and Note 21 to the financial statements, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. Critical accounting estimates, assumptions and judgements (Continued)

### Key sources of estimation uncertainty (Continued)

#### (e) Valuation of financial asset, at FVOCI

The Group recognised its investment in unquoted equity shares at fair value through other comprehensive income. The changes in fair value of investment will be recognised in other comprehensive income.

Based on the available information, the Group has made assumptions that the underlying net asset value of the investee company are used to determine the fair value of the investment. The fair value measurement is disclosed in Note 16 to the financial statements.

Whilst the Group believes the assumptions are reasonable and appropriate, significant changes in the assumptions may materially affect the fair value recorded. The carrying amount of the financial asset, at FVOCI is disclosed in Note 16 to the financial statements.

## 5. Financial instruments, financial risks and capital management

#### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial assets</b>				
Fair value through other comprehensive income	983	776	-	-
At amortised cost	18,532	20,021	7,777	8,225
	19,515	20,797	7,777	8,225
<b>Financial liabilities</b>				
At amortised cost	30,967	16,802	1,929	2,199

#### (b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amounts of recognised financial assets/ (liabilities) \$'000	Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000	Net amounts of financial assets presented in the statement of financial position \$'000
<b>Company</b>			
<b>2023</b>			
Trade and other receivables	7,777	-	7,777
Trade and other payables	(1,929)	-	(1,929)
<b>2022</b>			
Trade and other receivables	8,642	(678)	7,964
Trade and other payables	(2,877)	678	(2,199)

The Group does not have any financial instrument subject to enforceable master netting arrangements or similar agreements as at 31 December 2023 and 2022.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

### (b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (Continued)*

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Company and the respective counter parties allows for the net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however each party to the master netting agreement or similar agreement will have option to settle all such amounts on a net basis in the event of default of the other party.

### (c) *Financial risk management policies and objectives*

The Group's and the Company's overall financial risk management policies and objectives seek to minimise potential adverse effects on the financial performance of the Group and the Company. Management regularly reviews the Group's and the Company's business and operational activities to identify areas of significant business risks, as well as appropriate measures through which to control and mitigate these risks. On an on-going basis, management reviews all significant control policies and procedures, and highlights all significant matters to the Board of Directors. There has been no significant change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The Group and the Company do not hold or issue derivative financial instrument for speculative purposes. Market risk exposures are measured using sensitivity analysis indicated below.

#### (i) Foreign exchange risk management

The Group's and the Company's foreign currency exposure during the financial year arises from Renminbi, Euro, Singapore Dollar and United States Dollar. The Group and the Company do not hedge against foreign exchange exposure as the exposure is managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in the same foreign currencies.

At the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currency other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Group</b>				
Renminbi	(117)	(323)	-	4
Euro	(221)	(438)	13	14
Singapore Dollar	(3,982)	(6,398)	56	356
United States Dollar	(343)	(2,549)	944	2,807
<b>Company</b>				
United States Dollar	-	-	12	147

The Company has a number of investments in foreign subsidiary corporations, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk as the financial year end exposure does not reflect the exposure during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

### (c) Financial risk management policies and objectives (Continued)

#### (i) Foreign exchange risk management (Continued)

##### Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans where they gave rise to an impact on the Group's and the Company's profit.

If the relevant foreign currency weakens by 5% against the functional currency of each group entity, the Group's and the Company's profit before income tax will increase/(decrease) by:

	2023 \$'000	2022 \$'000
<b>Group</b>		
Renminbi	(6)	16
Euro	(10)	21
Singapore Dollar	196	302
United States Dollar	30	(13)
<b>Company</b>		
United States Dollar	(1)	(7)

If the relevant foreign currency strengthens by 5% there would be an equal and opposite impact on the Group's and the Company's profit before income tax shown above, on the basis that all other variables remain constant. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the financial year end exposure does not reflect the exposure during the financial year.

#### (ii) Interest rate risk management

The Group's and the Company's exposure to interest rate risk is restricted to their interest-bearing bank balances and deposits, lease liabilities and borrowings as disclosed in Notes 7, 18 and 19 to the financial statements, respectively.

No interest rate sensitivity was performed since the Group's and the Company's exposure to interest rate on their variable rate borrowing is not significant.

#### (iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amounts of financial assets and contract assets as stated in the statements of financial position and the exposure to calls on corporate guarantees below represent the Group's and the Company's maximum exposure to credit risk. The Group and the Company do not hold collateral over any of these balances.

The Group minimises its credit risk via the following:

- For credit risk from customers, the Group trades only with recognised and creditworthy third parties or government authorities. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

### (c) Financial risk management policies and objectives (Continued)

#### (iii) Credit risk management

- For other financial assets (such as cash and bank balances), the Group only deals exclusively with high credit rating counterparties such as such as reputable financial institutions.

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default.	12-month ECL
Doubtful	Amount is > 30 days past due* or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due* or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

\* Except for specific cases where management has assessed that the amount is still fully recoverable.

For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

#### Credit risk concentration profile

As at 31 December 2023, 69% (2022: 76%) of the Group's revenue is derived from 1 customer in Singapore (2022: 1 customer in Singapore and 3 customers in Indonesia), which represents concentration risk within the geographical location. There is concentration of credit risk as approximately 73% (2022: 83%) of the Group's trade receivables at the end of the financial year relates to 7 (2022: 5) customers.

As at 31 December 2023, the Company has amount due from subsidiaries which accounted for 99% (2022: 99%) of the Company's other receivables.

The Group and the Company place their bank balances with creditworthy financial institutions.

#### Impairment of 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

(c) *Financial risk management policies and objectives (Continued)*

(iii) Credit risk management (Continued)

In determining the ECL, 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. Due to a change in characteristics mentioned above for certain debtors, management is of the opinion that loss allowances are required in the current financial year.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Movements in credit loss allowance are as follows:

	Trade receivables		Contract assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Group</b>				
Beginning of financial year	62	10	259	79
Loss allowance measured:				
Lifetime ECL - simplified approach	-	52	-	180
Exchange Differences	(7)	-	-	-
End of financial year	55	62	259	259

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

### (c) Financial risk management policies and objectives (Continued)

#### (iii) Credit risk management (Continued)

The following table details the risk profile of trade receivables and contract assets based on the Group's provision matrix.

Group	Not past due \$'000	Past due					Total \$'000
		< 30 days \$'000	31 - 60 days \$'000	61 - 90 days \$'000	> 90 days \$'000	> 365 days \$'000	
<b>2023</b>							
Trade receivables (including unbilled revenue)	1,964	947	336	71	459	157	3,934
Contract assets	27,391	-	-	-	-	-	27,391
Less: Loss allowance							
- Trade receivables	-	-	-	-	-	(55)	(55)
- Contract assets	(259)	-	-	-	-	-	(259)
	(259)	-	-	-	-	(55)	(314)
	29,096	947	336	71	459	102	31,011
<b>2022</b>							
Trade receivables (including unbilled revenues)	3,760	1,597	477	2	103	161	6,100
Contract assets	12,015	-	-	-	-	-	12,015
Less: Loss allowance							
- Trade receivables	-	-	-	-	-	(62)	(62)
- Contract assets	(259)	-	-	-	-	-	(259)
	(259)	-	-	-	-	(62)	(321)
	15,516	1,597	477	2	103	99	17,794

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

### (c) *Financial risk management policies and objectives (Continued)*

#### (iii) Credit risk management (Continued)

Further details of credit risk on trade receivables and contract assets are disclosed in Notes 8 and 9 to the financial statements.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks. The maximum amount the Group could be forced to settle under financial guarantee contracts provided to its joint venture is \$6,523,000 (2022: \$6,655,000) (Note 33). Based on expectations at the end of the financial year, the Group considers that it is remote that any amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty suffer credit losses.

#### (iv) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

#### *Liquidity risk analysis*

#### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Total \$'000
<b>Group</b>					
<b>2023</b>					
Non-interest bearing	-	19,667	-	-	19,667
Loan from a director (fixed rate)	7.2	-	-	-	-
Lease liabilities (fixed rate)	4.8	201	161	-	362
Borrowings (fixed rate)	2.2	9,766	1,198	-	10,964
Total		29,634	1,359	-	30,993
<b>2022</b>					
Non-interest bearing	-	12,367	-	-	12,367
Loan from a director (fixed rate)	7.2	186	-	-	186
Lease liabilities (fixed rate)	5.4	226	254	11	491
Borrowings (fixed rate)	2.2	1,496	2,442	-	3,938
Total		14,275	2,696	11	16,982

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

(c) *Financial risk management policies and objectives (Continued)*

(iv) Liquidity risk management (Continued)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Total
	%	\$'000	\$'000	\$'000	\$'000
<b>Company</b>					
<b>2023</b>					
Non-interest bearing	-	1,929	-	-	1,929
Financial guarantee	-	13,947	-	-	13,947
		<u>15,876</u>	-	-	<u>15,876</u>
<b>2022</b>					
Non-interest bearing	-	2,199	-	-	2,199
Financial guarantee	-	6,200	-	-	6,200
		<u>8,399</u>	-	-	<u>8,399</u>

(v) Fair value of financial assets and financial 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. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

Some of the Group and Company's financial assets are measured at fair value as at each reporting date. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	2023	2022				
	Assets	Assets				
	\$'000	\$'000				
<b>Financial assets</b>						
<i>Financial asset, at fair value through other comprehensive income:</i>						
Investment in unquoted equity shares	983	776	Level 3	The fair value of the unquoted equity share is based on the net adjusted assets from their latest available 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)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Financial instruments, financial risks and capital management (Continued)

### (d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the lease liabilities (Note 18) and borrowings (Note 19), and equity attributable to owners of the Company, which comprises issued capital, reserves and retained earnings.

Management regularly monitors compliance with the financial covenants imposed by financial institutions for the facilities granted to the Group. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

The Group's and the Company's overall strategy remains unchanged from prior financial year.

## 6. Other 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 consolidated financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	2023 \$'000	2022 \$'000
<u>A Director</u>		
Interest expense on loan from a director (Note 27)	8	12
<u>Director-controlled company</u>		
Lease payments for warehouse and office	67	56
<u>Joint venture</u>		
Service revenue	581	803

### **Compensation of directors and key management personnel**

The remuneration of directors and other members of key management personnel are as follows:

	2023 \$'000	2022 \$'000
Wages, salaries and bonuses	1,760	1,658
Employer's contribution to defined contribution plans	65	68
Total	1,825	1,726

The amount of directors' remuneration for the financial years ended 31 December 2023 and 2022 is disclosed in Note 30 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. Cash and bank balances

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash on hand	2	2	-	-
Cash at banks	10,397	10,051	160	261
Short-term fixed deposits	3,568	3,281	-	-
Cash and bank balances as per statements of financial position	13,967	13,334	160	261
Less: Fixed deposits, pledged	(2,201)	(1,409)		
Cash and cash equivalents in the consolidated statement of cash flows	11,766	11,925		

The effective interest rates of the fixed deposits ranged from 2.5% to 5.25% (2022: 2.5% to 5.25%) per annum and for a tenure of 1 to 3 months (2022: 1 to 3 months).

Fixed deposits amounting to \$2,201,000 (2022: \$1,409,000) were pledged to a bank for banking facilities purpose.

Management considered that the ECL for cash and cash equivalents is insignificant as at 31 December 2023 and 2022.

## 8. Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables:				
- Non-related parties	3,875	5,567	-	-
- Joint venture	122	202	-	-
	3,997	5,769	-	-
Unbilled revenue <sup>(a)</sup>	59	331	-	-
Less: loss allowance	(55)	(62)	-	-
Total trade receivables	4,001	6,038	-	-
Other receivables:				
- Amounts due from subsidiary corporations <sup>(b)</sup>	-	-	7,616	7,963
- Amount due from a joint venture	19	19	-	-
- Bills receivables	12	-	-	-
- Refundable deposits	250	307	-	-
- Prepayments	1,329	1,281	56	107
- Staff loans	194	195	-	-
- Other tax recoverable	-	52	-	-
- Others	52	128	-	1
Total other receivables	1,856	1,982	7,672	8,071
Total	5,857	8,020	7,672	8,071

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8. Trade and other receivables (Continued)

- (a) Unbilled revenue relate to accrued revenue of which payment certificates are issued by customers but billings have not been raised to customers at the end of the financial year.
- (b) Amounts due from subsidiary corporations are unsecured, interest-free and repayable on demand except for loans to a subsidiary corporation amounting to \$543,000 (2022: \$1,565,000) which are unsecured and bears interest at 2.50% to 5.50% (2022: 2.50% to 5.5%) per annum.

These trade and other receivables are not secured by any collateral or credit enhancements. The credit period granted to customers is generally 30 to 60 days (2022: 30 to 60 days). No interest is charged on the outstanding balances, except those disclosed as above.

### Trade receivables

Majority of the Group's trade receivables that are neither past due nor impaired has good credit quality with reference to respective settlement history.

The Group applied simplified approach to provide the expected credit losses prescribed by SFRS(I). The impairment methodology and the credit risk assessment are set out in Notes 3.4 and 5(c)(iii) to the financial statements respectively.

The movement in loss allowance for trade receivables is as follows:

	Group	
	2023 \$'000	2022 \$'000
At beginning of financial year	62	10
Provided during the financial year	-	52
Exchange differences	(7)	-
At end of financial year	55	62

### Other receivables

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment as at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to the 12-month expected credit losses ("ECL").

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

### Amount due from subsidiary corporations

For purpose of impairment assessment, these receivables are considered to have low credit risk as the timing of payment is controlled by the Group taking into account cash flow management within the subsidiary corporations and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to the 12-month ECL.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8. Trade and other receivables (Continued)

### Amount due from subsidiary corporations (Continued)

In determining the ECL, management has taken into account the financial position of the subsidiary corporations, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiary corporations operate, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the receivables from the subsidiary corporations are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current financial year in assessing the loss allowance for amount due from subsidiary corporations.

Management noted that there were changes in credit quality of certain debtors in trade receivables and provided expected credit losses for these debtors during the current financial year. Other than these receivables where allowance has been made, ECL for the remaining balance of trade and other receivables is insignificant as at 31 December 2023 and 2022.

## 9. Contract assets/(liabilities)

The following is the analysis of the contract assets and contract liabilities:

	Group	
	2023 \$'000	2022 \$'000
Contract assets:		
- Construction contracts	27,391	12,015
Less: Loss allowance	(259)	(259)
Total contract assets	27,132	11,756
Contract liabilities:		
- Construction contracts	(1,310)	(352)
- Sales of goods	(257)	(646)
Total contract liabilities	(1,567)	(998)
	25,565	10,758

Contract assets and contract liabilities arising from the same contract are presented on net basis.

The changes in contract assets and contract liabilities as at 31 December 2023 and 2022 are due to the differences between the agreed payment schedule and the progress of the construction works.

The movement in loss allowance for contract assets is as follows:

	Group	
	2023 \$'000	2022 \$'000
At beginning of financial year	259	79
Provided during the financial year	-	180
At end of financial year	259	259

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Contract assets/(liabilities) (Continued)

Contract assets:

	Group	
	2023 \$'000	2022 \$'000
Unbilled contract works	26,937	11,603
Retention sum	195	412
<b>Total</b>	<b>27,132</b>	<b>12,015</b>

Contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in satisfying the respective performance obligations at the reporting date on construction contracts in respect of TSEPC.

Retention sum is unsecured, interest-free and expected to be received in the normal operating cycle of the Group.

Management of the Group noted that there were significant changes in credit quality of certain customers in contract assets and provided expected credit losses for these customers.

Contract liabilities:

	Group	
	2023 \$'000	2022 \$'000
Excess of milestone billings over contract works	–	(28)
Advances from customers	(1,567)	(970)
<b>Total</b>	<b>(1,567)</b>	<b>(998)</b>

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise when a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method or when the Group has received advance payments from customers.

The Group's revenue recognised that was included in the contract liabilities balance at the beginning of the financial year is as follows:

	2023 \$'000	2022 \$'000
Construction contracts	352	1,267
Sales of goods	646	7
<b>Total</b>	<b>998</b>	<b>1,274</b>

## 10. Inventories

	Group	
	2023 \$'000	2022 \$'000
Trading-related inventories	2,565	32

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Property, plant and equipment

<b>Group</b>	<b>Leasehold property</b>	<b>Water treatment facility</b>	<b>Renovation</b>	<b>Machinery and equipment</b>	<b>Office equipment, furniture and fittings</b>	<b>Motor vehicles</b>	<b>Computers</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Cost:</i>								
At 1 January 2022	655	1,103	351	161	358	145	77	2,850
Additions	-	-	-	7	45	39	-	91
Exchange differences	-	(95)	(4)	(10)	(9)	(5)	-	(123)
At 31 December 2022	655	1,008	347	158	394	179	77	2,818
Additions	-	-	-	4	46	15	3	68
Exchange differences	-	(9)	(1)	(1)	(2)	(2)	-	(15)
At 31 December 2023	655	999	346	161	438	192	80	2,871
<i>Accumulated depreciation:</i>								
At 1 January 2022	546	143	141	64	271	97	61	1,323
Depreciation	22	35	44	28	31	11	5	176
Exchange differences	-	(15)	(4)	(3)	(9)	(7)	-	(38)
At 31 December 2022	568	163	181	89	293	101	66	1,461
Depreciation	22	41	44	19	36	15	5	182
Exchange differences	-	(2)	(2)	20	(2)	(2)	-	11
At 31 December 2023	590	202	223	128	327	113	71	1,654
<i>Carrying amount:</i>								
At 31 December 2022	65	797	123	33	111	79	9	1,217
At 31 December 2023	87	845	166	69	101	78	11	1,357

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Property, plant and equipment (Continued)

Details of the Group's leasehold property as at the end of the financial year are as follows:

Location	Approximate gross floor area	Tenure	Effect from	Usage
Block 20, Woodlands Link, #04-30/31, Singapore 738733	2,938 sq ft	30 years	1997	Office premises

As at 31 December 2023, the leasehold property with the carrying amount of \$65,000 (2022: \$87,000) is mortgaged as security for banking facilities.

Company	Office equipment, furniture and fittings \$'000
<i>Cost:</i>	
At 1 January 2022, 31 December 2022 and 2023	3
<i>Accumulated depreciation:</i>	
At 1 January 2022	.*
Depreciation	1
At 31 December 2022	1
Depreciation	1
At 31 December 2023	2
<i>Carrying amount:</i>	
At 31 December 2023	1
At 31 December 2022	2

\* Amount less than \$1,000.

## 12. Right-of-use assets

The Group leases several assets including warehouse, office space and motor vehicles. The average lease term for warehouse and office space is three (2022: three) years and the average lease term for motor vehicles is three to seven (2022: three to seven) years.

The Group's obligations are secured by the lessors' title to the leased assets for such leases.

There are no extension or termination options on the leases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Right-of-use assets (Continued)

<b>Group</b>	<b>Warehouse and office space</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Cost:</i>			
At 1 January 2022	441	419	860
Addition	-	132	132 <sup>#</sup>
Disposals	(12)	(10)	(22)
At 31 December 2022	429	541	970
Addition	-	93	93 <sup>#</sup>
Exchange differences	-	(1)	(1)
At 31 December 2023	429	633	1,062
<i>Accumulated depreciation:</i>			
At 1 January 2022	213	204	417
Depreciation (Note 18)	99	82	181
Disposals	(12)	(6)	(18)
At 31 December 2022	300	280	580
Depreciation (Note 18)	75	94	169
Exchange differences	-	(1)	(1)
At 31 December 2023	375	373	748
<i>Carrying amount:</i>			
At 31 December 2023	54	260	314
At 31 December 2022	129	261	390

# During the financial year ended 31 December 2023, the Group has addition of right-of-use assets amounting to \$93,000 (2022: \$132,000) of which \$33,000 (2022: \$48,000) was paid before the commencement of lease arrangements.

## 13. Investment in subsidiary corporations

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity shares, at cost	5,095	4,961
Additions	203	134
	5,298	5,095
Less: Impairment losses	(528)	(528)
Net investment amount	4,770	4,567
Deemed investment <sup>(a)</sup>	1,473	1,473
Investment in subsidiary corporations, net	6,243	6,040

<sup>(a)</sup> The amount is stated at cost as it is deemed to be part of the Company's equity investments in the subsidiary corporations, as the amounts are interest-free, payable at discretion of the borrowers when they are able to do so.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investment in subsidiary corporations (Continued)

Movement in impairment losses:

	Company	
	2023 \$'000	2022 \$'000
At beginning and end of the financial year	528	528

### Subsidiary corporations

The details of the Group's subsidiary corporations are as follows:

Name of subsidiary corporation	Country of incorporation and operation	Principal activities	Effective interests of the Group	
			2023 %	2022 %
Memiontec Pte Ltd <sup>(a)</sup>	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. <sup>(a)</sup>	Singapore	Customisation and distribution of modular water and wastewater treatment components, equipment and system.	100	100
Memiontec Industries Pte. Ltd. <sup>(a)</sup>	Singapore	Building construction; collection, purification and distribution of water (including desalination of water); and investment holding.	100	100
PT Memiontec Indonesia <sup>(b) (d)</sup>	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 <sup>(b) (f)</sup>	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. <sup>(c)</sup>	China	Trading of water treatment components and equipment.	100	100
Memiontec Co. Ltd. <sup>(e)</sup>	Vietnam	Construction of water supply and drainage system	100	100



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investment in subsidiary corporations (Continued)

### Notes

- (a) Audited by PKF-CAP LLP, Singapore.
- (b) Audited by PKF Hadiwinata, a member firm of PKF International network.
- (c) Audited by Baker Tilly China Certified Public Accountants China (Chengdu Branch), an affiliated firm of Baker Tilly International.
- (d) The subsidiary corporation was acquired by the Group under common control accounting in 2019, as part of the Group's restructuring exercise in preparation for the listing of the Company on the SGX-ST.
- (e) The subsidiary corporation was incorporated in October 2022. It is unaudited for FY2023 as it is still dormant with no activities.
- (f) Pursuant to a loan agreement dated 22 December 2019 amongst Memiontec Industries Pte. Ltd. ("MIPL"), PTMP, Mr. Tay Kiat Seng ("Mr. Tay") and Ms. Soelistyo Dewi Soegiharto ("Ms. Dewi"), MIPL granted a loan of IDR7,030,000,000 (equivalent to \$670,000) to PTMP (the "Loan") for the purchase and/or subscription of 30% of the shares in PTMI (the "Loan Agreement") effective from 13 February 2019. Mr. Tay and Ms. Dewi have provided an undertaking in the Loan Agreement that (i) for so long as either of them or their respective associates remain a substantial shareholder or director of the Company; or (ii) the restrictions against MIPL holding 100% of PTMP and PTMI are not removed, whichever is the earlier, MIPL shall not submit any written repayment request to PTMP or declare any amounts payable under the Loan Agreement to be immediately due and payable even where there is any event of default. Under the Loan Agreement, MIPL will be entitled to nominate the members of the Board of Directors and the Board of Commissioners of PTMP. The loan is secured by:
- a pledge of shares given by Ms. Dewi in respect of her 98% shares in PTMP ("PTMP Shares") in favour of MIPL. Ms. Dewi shall not, without the prior consent of MIPL, dispose of or transfer any of her 98% shares in PTMP or create any encumbrances on these shares;
  - an option to purchase given by Ms. Dewi in respect of the PTMP Shares in favour of MIPL up to the approved foreign ownership threshold under Indonesia laws and regulations from time to time;
  - an assignment of dividends given by PTMP in respect of its 30% shares in PTMI ("PTMI Shares") in favour of MIPL;
  - a power of attorney to sell shares given by PTMP to MIPL, entitling MIPL to sell the PTMI Shares;
  - a pledge of shares given by PTMP in respect of the PTMI Shares in favour of MIPL. PTMP shall not, without the prior consent of MIPL, dispose of or transfer any of its 30% shares in PTMI or create any encumbrances on these shares;
  - an option to purchase given by PTMP in respect of the PTMI Shares in favour of MIPL up to the approved foreign ownership threshold under Indonesia laws and regulations from time to time;
  - an assignment of dividends given by Ms. Dewi in respect of the PTMP Shares in favour of MIPL; and
  - a power of attorney to sell shares given by Ms. Dewi to MIPL, entitling MIPL to sell the PTMP Shares.

(collectively, "Loan Security Documents" and together with the Loan Agreement, "Combination Agreements").

In addition to the Combination Agreements, Ms. Dewi has also assigned to MIPL all of her rights, titles and interests in and to any (i) excess of liquidation proceeds to be paid by PTMP or its liquidator with respect to the PTMP Shares when PTMP is in the liquidation process; and (ii) any proceeds of capital reduction to be paid by PTMP with respect to the PTMP Shares when PTMP reduces its issued and paid-up capital.

Pursuant to the Combination Agreements and the Undertaking Agreements, although the Group does not own any equity shares of PTMP, the Group assessed that it has established control over PTMP on the basis that the Group has the power to direct the relevant activities of PTMP by appointment of key management personnel of PTMP, has rights to variable returns from its involvement with PTMP through loan extended to PTMP, and has the ability to affect those returns through its power over PTMP. As a result, the Group consolidates 98% of PTMP and 99.4% of PTMI effective from 13 February 2019.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investment in subsidiary corporations (Continued)

### Notes (Continued)

In 2019, management had obtained legal opinions from Nurjadin Sumono Mulyadi Partners (“NSMP”) and Soewito Suhardiman Eddymurthy Kardono (“SSEK”). Management was of the view, taking into account the legal opinions and subject to the assumptions and qualifications set out therein, that the corporate structure of the Company, PTMP and PTMI complied with the prevailing Indonesian laws and regulations and that the Combination Agreements and Undertaking Agreements are legal and enforceable under the prevailing Indonesian laws and regulations. For financial year ended 31 December 2020, this was reaffirmed by an Indonesian external legal counsel, Akhmad Yudhi, S.H. M.H., & Partners, that there were no changes in the Relevant Laws during the past reporting period.

In 2021, there are changes to the Indonesian laws and regulations arising from *the Act Number 11 of 2020 on Job Creation*, which is also known as the *Omnibus Law*. Despite these changes, management has reassessed that the control over PTMP remains unchanged and it is confirmed by a legal opinion obtained from NSMP in 2021. The legal opinion concluded that the existing corporate structure and the arrangement under the Combination Agreements and Undertaking Agreements remain legal and enforceable under the *Omnibus Law*. Accordingly, management concluded that there is no change to the control assessment over PTMP.

In 2022 and 2023, the management conducted an internal legal review and sought opinion from an Indonesian external legal counsel, Akhmad Yudhi, S.H. M.H., & Partners, who confirmed that there have been no alterations to the Indonesian laws and regulations in the current financial year. Based on these assessments, management has concluded that there has been no changes to the relevant laws and regulation, and as a result, there has been no impact to the Group’s control over PTMP in current financial year.

## 14. Investment in a joint venture

	Group	
	2023 \$’000	2022 \$’000
Cost of investment in joint ventures	2,167	2,079
Additions	729	-
Accumulated share of results	548	657
Exchange difference	(341)	(233)
Carrying amount	3,103	2,503

Details of the Group’s joint ventures are as follows:

Name of joint venture	Country of incorporation and operation	Principal activity	Effective equity interests of the Group	
			2023 %	2022 %
<u>Held by PT Memiontec Indonesia</u>				
PT Jakpro Memiontec Air (“PT JMA”)	Indonesia	Provision of water management service and supply of potable water.	40	40
PT Pembangunan Perumahan Tirta Tanah Merah (“PT PP TTM”)	Indonesia	Provision of water management service and supply of potable water.	42	-

The above joint ventures are accounted for using the equity method in these financial statements and audited by KAP Hertanto, Grace, Karunawan, an independent member firm of TIAG International.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investment in a joint venture (Continued)

### PT Jakpro Memiontec Air ("PT JMA")

On 25 May 2016, PT Memiontec Indonesia entered into a service concession agreement with DKI Jakarta state-owned company (the "Grantor") to set up a company to undertake the build, own, operate and transfer ("BOOT") of a water treatment plant located in Jakarta, Indonesia. Accordingly, a joint venture, PT JMA, was incorporated in April 2017. Under the terms of the BOOT, the joint venture is responsible to design and construct a water treatment plant and upon completion, the joint venture will operate and maintain the water treatment plant, and sell treated water to the Indonesian municipal authority at an agreed water tariff, subject to revision using agreed basis. The concession period of the agreement is 20 years from commercial operations date, with an option to extend for another 5 years. The water treatment plant commenced its operations in December 2019.

The joint venture receives a right to charge the grantor a fee for the treated water. The joint venture is obligated to produce a minimum amount of treated water and the grantor is obligated to purchase all water output from the joint venture. Therefore, the estimated water output produced by the joint venture is recognised as financial assets arising from service concession arrangement.

The standard rights of the grantor to terminate the BOOT include failure to meet the performance standards and in the event of a material breach of contractual obligations by the joint venture; whereas the standard rights of the joint venture to terminate the contract include failure to make payments under the BOOT and in the event of a material breach of contractual obligations by the grantor.

The joint venture has secured a bank loan for the financing of the construction of the water treatment plant. The loan is secured by a legal mortgage over the water treatment plant and the land on which it is constructed on, and escrow accounts of the joint venture partners. The joint venture partners have also given a commitment to provide continuing financial support to the joint venture if the joint venture is not able to pay its debts when they fall due.

Summarised financial information in respect of PT JMA is set out below.

	Group	
	2023	2022
	\$'000	\$'000
Current assets	2,238	2,248
Non-current assets	11,070	11,758
Current liabilities	(167)	(488)
Non-current liabilities	(7,206)	(7,261)

The above amounts of assets and liabilities include the following:

	Group	
	2023	2022
	\$'000	\$'000
Cash and bank balances	979	680
Current financial liabilities (excluding trade and other payables)	(82)	(82)
Non-current financial liabilities (excluding trade and other payables)	(6,441)	(6,573)

	Group	
	2023	2022
	\$'000	\$'000
Revenue	2,705	3,291
Net (loss)/profit, representing total comprehensive income for the financial year	(276)	321

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investment in a joint venture

The above net profit for the financial year includes the following:

	2023 \$'000	2022 \$'000
Depreciation	16	10
Interest income	(61)	(8)
Interest expense	582	518
Fair value loss on financial assets	956	-
Income tax expense	69	37

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in these consolidated financial statements:

	Group	
	2023 \$'000	2022 \$'000
Net assets of the joint venture	5,935	6,257
Proportion of the Group's ownership interest in the joint venture	40%	40%
Carrying amount of the Group's interest in the joint venture	2,374	2,503

### PT Pembangunan Perumahan Tirta Tanah Merah ("PT PP TTM")

On 19 September 2023, PT Memiontec Indonesia entered into a new share issuance agreement with PT Pembangunan Perumahan Tirta Tanah Merah ("PT PP TTM"), pursuant to which PT MI will inject capital into PT PP TTM and PT PP TTM will issue such number of new shares to PT MI such that PT MI will hold 42% shareholding interests in PT PP TTM ("New Shares Issuance") after the completion of the New Shares Issuance.

Upon the completion of the New Shares Issuance, PT MI will participate in PT PP TTM's existing construction and operation of a Build-Own-Operate-Transfer ("BOOT") project, which has a concession period of 20 years, with the existing two shareholders of PT PP TTM, namely PT PP Infrastruktur ("PT PP") and PT Kadaka Cipta Pranata ("PT KCP"). The New Shares Issuance was completed on 4 October 2023.

The BOOT project held by PT PP TTM is for the supply of drinking water by a water treatment plant located in Tanah Merah, Jakarta, Indonesia with a design capacity of 200 litres per day. The BOOT project will be carried out in the form of a BOOT arrangement over a concession period of 20 years from the commercial operation date.

The contribution from the joint venture is not material to the Group for the financial year ended 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. Interests in joint operations

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	
			2023 %	2022 %
<u>Held by PT Memiontec Indonesia</u>				
KSO JUP-MIT <sup>(a) (b)</sup>	Indonesia	Provision of water management services and supply of potable water.	40	40
KSO Abipraya-Memiontec <sup>(a) (c)</sup>	Indonesia	Design, engineering, procurement, fabrication, assembly and turnkey construction water and wastewater treatment and plants.	49	49
KSO PT Memiontec Indonesia – PT Bayu Surya Bakti Konstruksi <sup>(a) (c)</sup>	Indonesia	Design, engineering, procurement, fabrication, assembly and turnkey construction water and wastewater treatment and plants.	51	51

- (a) The above joint operations are audited by PKF Hadiwinata for consolidation of the financial position and results into the consolidated financial statements of the Group.
- (b) In 2016, the Group entered into a cooperation agreement with Indonesian state-owned enterprise to form a joint operation to operate and maintain a water treatment plant located in Waduk Pluit, North Jakarta, Indonesia. Under the terms of the cooperation agreement, the Group was obligated to perform an upgrade of the water treatment plant to enable the plant to achieve certain productivity. Such upgrade costs were borne by the Group and recognised as property, plant and equipment (Note 11). Upon completion of such upgrade in 2018, the joint operation commenced its operation and maintenance of the water treatment plant, including sales of treated water, from 1 November 2018 for a contractual period of 25 years.
- (c) In 2021, the Group entered into joint arrangements with third parties to establish joint operating consortiums to exclusively carry out certain TSEPC projects in Indonesia.

## 16. Financial asset, at FVOCI

	Group	
	2023 \$'000	2022 \$'000
Unquoted equity shares:		
At the beginning of the year	776	736
Add: Additional investment	219	112
Less: Exchange differences	(12)	(72)
At the end of the year	983	776

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 FVOCI 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Financial asset, at FVOCI (Continued)

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

Details of the Group's investment classified as financial asset, at FVOCI, are as follows:

Name of investment	Country of operation	Principal activity	Effective equity interests of the Group	
			2023 %	2022 %
<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 PP"), PT Memiontec Indonesia and PT Envitech Perkasa ("PT EP") incorporated a company, PT PP Tirta Madani ("PT PPTM") in Indonesia on 14 December 2020.

The Group has made an additional capital investment of \$219,000 (2022: \$112,000) in PPTM during the financial year ended 31 December 2023.

## 17. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables – Non-related parties	13,084	7,762	–	–
Trade accruals	4,731	3,059	–	–
Total trade payables	17,815	10,821	–	–
Other payables:				
- Amount due to subsidiary corporations (a)	–	–	1,341	1,767
- Amount due to directors (b)	–	174	–	–
- Other accruals	1,648	1,423	438	320
- Other tax payables	55	291	–	–
- Refundable deposit	192	3	–	–
- Others	13	120	158	112
Total other payables	1,908	2,011	1,937	2,199
Provisions:				
- Provision for staff leave	71	59	2	5
- Provision for warranty (c)	–	1	–	–
	71	60	2	5
Total	19,794	12,892	1,939	2,204

(a) Amount due to subsidiary corporations are unsecured, interest-free and are repayable on demand.

(b) The amount relates to loan from a director amounting to \$Nil (2022: \$174,000) which is unsecured, bears fixed interest rate of 7.20% (2022: 7.20%) per annum and is repayable on demand.

(c) An additional provision of \$50,000 (2022: \$69,000) was made, offset by \$51,000 (2022: \$121,000) utilised during the financial year and a reversal of \$ nil (2022: \$66,000) provision made in prior financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. Trade and other payables (Continued)

The credit period on purchases is generally from 30 to 60 days (2022: 30 to 60 days). No interest is charged on the outstanding balances, except those as disclosed above.

## 18. Lease liabilities

	Group	
	2023 \$'000	2022 \$'000
<i>Current</i>		
Amounts due for settlement within 12 months	188	199
<i>Non-current</i>		
Amounts due for settlement after 12 months	148	244
	336	443
Maturity analysis:		
Within one year	188	199
In the second to fifth year inclusive	148	233
More than five years	–	11
Total	336	443

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Amounts recognised in the consolidated statement of comprehensive income:

	Group	
	2023 \$'000	2022 \$'000
Depreciation expense on right-of-use assets (Note 12)	169	181
Interest expense on lease liabilities (Note 27)	21	19
Short-term lease expenses	276	201

Total cash outflows for all the leases for the financial year ended 31 December 2023 was \$444,000 (2022: \$359,000).

## 19. Borrowings

	Group	
	2023 \$'000	2022 \$'000
Secured bank loans		
<i>Current:</i>		
Amount due for settlement within 12 months	9,726	1,431
<i>Non-current:</i>		
Amount due for settlement after 12 months	1,182	2,387
	10,908	3,818

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. Borrowings (Continued)

The bank loans bear fixed interests ranging from 2.00% to 6.00% (2022: 2.00% to 2.75%) per annum, are repayable in equal monthly instalments over 2 to 3 (2022: 3 to 4) years, maturing in 2025 and 2026 and secured by corporate guarantees from the Company.

## 20. Retirement benefit obligations

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

	Group	
	2023 \$'000	2022 \$'000
Present value of defined benefit obligations (unfunded)	392	345

The Group operates an unfunded defined benefit plan for qualifying employees of its subsidiary in Indonesia in accordance with Indonesian Labour Law No. 13/2003, based on service and last salary. Under the plan, the employees are entitled to retirement benefits on attainment of a retirement age and other eligible events (retrenchment, disability and death). No other post-retirement benefits are provided.

The plan in Indonesia typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

- Interest risk - a decrease in the bond interest rate will increase the plan liability.
- Longevity risk - the present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk - the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The present value of the defined benefit obligation was carried out by a qualified independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at	
	2023 %	2022 %
Discount rate	7.25	7.25
Salary increment rate	5.00	5.00
Mortality rate*	100	100
Disability rate*	5.00	5.00
	5% per annum until age 30, then decrease to 0% on linear basis up to retirement	5% per annum until age 30, then decrease to 0% on linear basis up to retirement
Resignation rate		

\* Based on Table of Mortality in Indonesia.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. Retirement benefit obligations (Continued)

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

	2023 \$'000	2022 \$'000
<u>Profit or loss</u>		
Current service cost	49	47
Net interest expense	3	21
Change in attribution method	-	(30)
Components of defined benefit costs recognised in profit or loss	52	38
<u>Other comprehensive income</u>		
Remeasurement of defined benefits liability:		
Actuarial loss from experience adjustment	-	6
Actuarial gain from change in financial assumptions	-	-
Tax impact	-	(1)
Components of defined benefit costs recognised in other comprehensive income	-	5
Total defined benefits costs	52	43

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	345	331
Current service cost	49	47
Interest cost	3	21
Change in attribution method	-	(30)
Remeasurement losses/(gains):		
Actuarial loss from experience adjustment	-	6
Actuarial gain from change in financial assumptions	-	-
	-	6
Exchange differences	(5)	(30)
End of financial year	392	345

Significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the financial year, while holding all other assumptions constant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. Retirement benefit obligations (Continued)

	Impact on defined benefits obligations	
	2023	2022
	\$'000	\$'000
Change in discount rate		
Increase by 1%	(26)	(24)
Decrease by 1%	29	27
Change in expected rate of salary increase		
Increase by 1%	31	29
Decrease by 1%	(29)	(27)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior financial years.

The Group expects to contribute approximately \$4,000 (2022: \$4,000) to its defined benefit plan in the subsequent financial year.

## 21. Deferred tax assets/(liabilities)

	Consolidated statement of financial position		Movements in tax					
			Profit or loss		Other comprehensive income		Exchange differences	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>								
<u>Deferred tax assets:</u>								
Provisions	29	29	-	-	-	-	-	-
Retirement benefits obligations	75	76	-	(8)	-	(1)	1	6
<b>Deferred tax assets</b>	104	105	-	-	-	-	-	-
Set off of tax	(40)	(40)	-	-	-	-	-	-
<b>Net deferred tax assets</b>	64	65	-	-	-	-	-	-
<u>Deferred tax liabilities:</u>								
Differences in depreciation for tax purposes	(40)	(40)	-	-	-	-	-	(1)
<b>Deferred tax liabilities</b>	(40)	(40)	-	-	-	-	-	-
Set off of tax	40	40	-	-	-	-	-	-
<b>Net deferred tax liabilities</b>	-	-	-	-	-	-	-	-
Deferred tax credit (Note 29)			-	(8)	-	(1)	1	5

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. Deferred tax assets/(liabilities)(Continued)

*Deferred tax assets not recognised arising from tax losses*

At the end of the financial year, the Group has tax losses of approximately \$1,131,000 (2022: \$1,242,000) that are available for offset against future taxable profits of the companies in which the losses arose. No deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the respective countries in which the companies operate. The tax losses will expire between year 2024 and 2027 (2022: 2023 and 2026).

*Unrecognised temporary differences relating to investment in subsidiary corporations*

At the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiary corporations for which deferred tax liabilities have not been recognised is approximately \$5,529,000 (2022: \$6,159,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

## 22. Share capital

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	
<i>Issued and paid up:</i>				
At beginning of the financial year	660,771,000	220,257,000	12,092	12,092
Issuance of new shares pursuant to Share Split	-	440,514,000	-	-
At end of the financial 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 24 May 2022, the Company completed its Share Split of every one (1) existing ordinary share into three (3) ordinary shares. The completion of the Share Split resulted in an additional 440,514,000 new shares being allotted and issued.

*Performance share plan*

On 6 May 2022, the Company granted awards of 1,000,000 ordinary shares in the capital of the Company ("2022 PSP Shares") under the Memiontec Performance Share Plan ("2022 Awards") to selected Directors, as well as executive officers and other employees of the Group. On 24 May 2022, pursuant to the rules of the Memiontec Performance Share Plan, following the completion of the Share Split, the number of 2022 PSP Shares which were the subject of the outstanding 2022 Awards was adjusted from 1,000,000 to 3,000,000. The 2022 Awards lapsed on 5 May 2023 and the Company subsequently granted awards of 3,000,000 ordinary shares in the capital of the Company ("2023 PSP Shares") on the same day under the Memiontec Performance Share Plan ("2023 Awards") to selected Directors, as well as executive officers and other employees of the Group.

As at 31 December 2023, none of the outstanding 3,000,000 Share Awards has been vested.

## 23. Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency, Singapore Dollar ("S\$"). The translation reserve is non-distributable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 24. Other reserves

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Capital reserve <sup>(a)</sup>	1,442	1,442	-	-
Merger reserve <sup>(b)</sup>	(2,405)	(2,405)	-	-
Other reserves <sup>(c)</sup>	49	49	-	-
	(914)	(914)	-	-

<sup>(a)</sup> This represents capital contribution in certain subsidiary corporations by a controlling shareholder and an unrelated party.

<sup>(b)</sup> This represents the difference between the consideration and the aggregate nominal amounts of the share capital of the entities under common control at the date when these entities were consolidated as part of the restructuring exercise of the Group.

<sup>(c)</sup> This represents the following items:

- Deemed gain on acquisition of non-controlling interests of \$213,000, as a result of the increase in the equity interest of PTMI from 95% to 99.4% in February 2019, subsequent to the Group's restructuring exercise.
- Loss on disposal of a former subsidiary corporation amounting to \$164,000.

Other reserves are non-distributable.

## 25. Revenue

	2023 \$'000	2022 \$'000
<b>Type of revenue</b>		
- Revenue from TSEPC projects	63,634	39,051
- Revenue from OMS services	2,349	2,785
- Revenue from SDS & Trading	684	747
- Revenue from sales of water	183	204
Total	66,850	42,787
<b>Geographical markets</b>		
- Singapore	50,044	16,800
- Indonesia	16,795	25,971
- People's Republic of China ("PRC")	11	16
Total	66,850	42,787

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25. Revenue (Continued)

	2023 \$'000	2022 \$'000
<b>Timing of revenue recognition</b>		
Over time:		
- Revenue from TSEPC projects	63,634	39,051
- Revenue from OMS services	2,349	2,785
At a point in time:		
- Revenue from SDS & Trading	684	747
- Revenue from sales of water	183	204
	<b>66,850</b>	<b>42,787</b>

The Group derives its revenue from the transfer of goods and service over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments*.

### Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2023 is \$57,122,000 (2022: \$90,687,000). This will be recognised as revenue by reference to percentage of completion, which is expected to complete over the next one to two (2022: one to two) years. The amount disclosed above does not include any estimated amounts of variable consideration that is constrained.

## 26. Other income

	2023 \$'000	2022 \$'000
Government grants	107	75
Interest income from banks	113	112
Others	103	44
Total	<b>323</b>	<b>231</b>

## 27. Finance costs

	2023 \$'000	2022 \$'000
Interest expense on:		
- Borrowings	98	91
- Lease liabilities (Note 18)	21	19
- Loan from a director (Note 6)	8	12
Total	<b>127</b>	<b>122</b>
- Interest expenses from supplier invoice financing included in cost of sales	209	97

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Other operating expenses

	2023 \$'000	2022 \$'000
Foreign exchange loss - net	68	441
Loss allowance on trade receivables and contract assets	-	232
Small value assets expensed-off	5	3
Others	238	20
Total	311	696

## 29. Income tax expense

	2023 \$'000	2022 \$'000
<u>Income tax expense/(credit) recognised in profit or loss</u>		
Income tax:		
- Current	614	933
- (Over)/Under-provision in prior financial years	(18)	9
	596	942
Withholding tax expense on foreign-sourced interest income	87	2
Deferred tax (Note 21):		
- Current	-	(8)
- Over-provision in prior financial years	-	-
	-	(8)
Income tax expense	683	936
<u>Income tax recognised in other comprehensive income</u>		
Deferred tax:		
- Retirement benefit obligations	-	1

Income tax for Singapore incorporated companies is calculated at 17% (2022: 17%) of the estimated assessable income for the financial year. Statutory tax rate in Indonesia is 22% (2022: 22%).

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. Income tax expense (Continued)

The total expense for the financial year can be reconciled to the accounting profit as follows:

	2023 \$'000	2022 \$'000
Profit before income tax	3,920	3,506
Share of results of a joint venture	110	(128)
	<u>4,030</u>	<u>3,378</u>
Tax at statutory rate of 17% (2021: 17%)	685	574
Effect of different tax rates of companies operating in other jurisdictions	435	290
Tax effect of expenses that are not deductible in determining taxable profit	73	6
Tax effect of income that are not taxable in determining taxable profit	–	(3)
Effect of tax concessions and partial tax exemptions	(484)	(14)
Adjustments recognised in the current year in relation to current and deferred tax of prior years	(18)	9
Deferred tax assets not recognised	–	60
Utilisation of previously not recognised tax losses	(28)	–
Withholding tax expense	89	2
Others	(69)	12
Income tax expense	<u>683</u>	<u>936</u>

## 30. Profit for the financial year

Profit for the financial year has been arrived at after charging:

	2023 \$'000	2022 \$'000
Employee benefits (Note A)		
- Directors' remuneration	1,336	1,074
- Wages and salaries	5,934	5,157
- Employer's contribution to defined contribution plans	353	347
	<u>7,623</u>	<u>6,578</u>
Audit fees paid/payable to:		
- Auditors of the Company	108	89
- Other auditors	45	36
Directors' fees	139	150
Cost of inventories recognised as expense	500	842
Depreciation of property, plant and equipment (Note 11)	182	176
Depreciation of rights-of-use assets (Note 12)	169	181

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Profit for the financial year (Continued)

Note A:

	2023 \$'000	2022 \$'000
Presented in the consolidated statement of comprehensive income:		
Cost of sales	5,428	4,502
General and administrative expenses	2,195	2,076
Total	<u>7,623</u>	<u>6,578</u>

## 31. 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.

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

	Group	
	2023	2022
Profit attributable to owners of the Company (\$'000)	3,235	2,551
Weighted average number of ordinary shares for purpose of EPS (units)	660,771,000	660,771,000
EPS – basic (Singapore cents)	<u>0.49</u>	<u>0.39</u>

### (b) Diluted EPS

	Group	
	2023	2022
Profit attributable to owners of the Company (\$'000)	3,235	2,551
Weighted average number of ordinary shares for purpose of Basic EPS (units)	660,771,000	660,771,000
Share awards granted under Memiontec Performance Share Plan (units)	3,000,000	3,000,000
	<u>663,771,000*</u>	<u>663,771,000*</u>
EPS – diluted (Singapore cents)	<u>0.49*</u>	<u>0.39*</u>

\* As the vesting conditions for the share awards were not satisfied for the financial year ended 31 December 2022 and 31 December 2023, the dilutive potential shares from PSP Shares outstanding at the end of the financial year was anti-dilutive and hence no adjustment is made to the share capital base in computing the diluted EPS.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32. Dividends

On 13 April 2023, the Company declared tax exempt (one-tier) final dividend of 0.118 Singapore cents per ordinary share amounting to approximately \$780,000 in respect of the financial year ended 31 December 2022. The dividend was subsequently paid out on 7 July 2023.

On 8 April 2022, the Company declared tax exempt (one-tier) final dividend of 0.209 Singapore cents per ordinary share amounting to approximately \$460,000 in respect of the financial year ended 31 December 2021. The dividend was subsequently paid out on 31 May 2022.

In respect of the current financial year, the Directors proposed that a dividend of 0.196 Singapore cents per share will be paid to shareholders in 2024. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on the book closure date. The total estimated dividend to be paid of \$1,295,000 will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

## 33. Contingent liabilities

The maximum amount the Group could be forced to settle under financial guarantee contracts provided to its joint venture is \$6,523,000 (2022: \$6,655,000) (Note 5(c)(iii)).

Management has considered and evaluated the fair value of the above financial guarantee contracts to be insignificant as at 31 December 2023 and 2022.

As at 31 December 2023, the Company has issued corporate guarantee amounting up to \$13,947,000 (2022: \$6,200,000) to banks for borrowings of its subsidiary corporation. These bank borrowings of the subsidiary corporation amounted to \$10,908,000 (2022: \$3,818,000) as at reporting date.

## 34. Segment information

For the purpose of resource allocation and assessment of segment performance, the Group's chief executive officer has focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating Segments*.

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

The Group's reportable segments under SFRS(I) 8 *Operating Segments* are therefore as follows:

- TSEPC - provision of total solutions with engineering, procurement and construction services relating to water and wastewater management.
- OMS - provision of operations, preventative and corrective maintenance services relating to water and wastewater management.
- SDS & Trading - Sales and distribution of water treatment systems and trading.
- SOW - Sales of water and other related recurring revenues under long term service concessionary arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 34. Segment information (Continued)

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.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the financial statements.

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.

### Segment revenue

	Group	
	2023 \$'000	2022 \$'000
Revenue:		
- TSEPC	63,634	39,051
- OMS	2,349	2,785
- SDS & Trading	684	747
- SOW	183	204
Total	<u>66,850</u>	<u>42,787</u>

### Segment results

	Group	
	2023 \$'000	2022 \$'000
Profit from operations:		
- TSEPC	5,636	4,708
- OMS	414	565
- SDS & Trading	207	314
- SOW	25	77
Total	<u>6,282</u>	<u>5,664</u>
Other income	358	231
General and administrative expenses	(2,137)	(1,699)
Share of profit of a joint venture	(110)	128
Finance costs	(127)	(122)
Other operating expenses	(346)	(696)
Profit before income tax	<u>3,920</u>	<u>3,506</u>
Income tax expense	(683)	(936)
Net profit for the financial year	<u>3,237</u>	<u>2,570</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 34. Segment information (Continued)

### Geographical segments

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

	Revenue	
	2023 \$'000	2022 \$'000
Singapore	50,044	16,800
Indonesia	16,795	25,971
PRC	11	16
Total	66,850	42,787

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

	Non-current assets	
	2023 \$'000	2022 \$'000
Singapore	538	707
Indonesia	5,068	4,303
PRC	11	16
Total	5,617	5,026

### Major customer information

The Group's largest customer (2022: two largest customers) in Singapore and nil (2022: three largest customers) in Indonesia contribute an aggregate of 69% (2022: 76%) of the Group's revenue, with these revenues being attributable to the TSEPC and OMS business segment. No other customer contributed more than 10% of the Group's revenue for other business segments during the financial years ended 31 December 2023 and 2022.

## 35. Events after reporting period

On 8 January 2024, the Company incorporated a wholly owned subsidiary MIT Investment Pte Ltd ("MIT Investment") with a paid-up capital of S\$2.00.

On 13 March 2024, the Company incorporated a wholly owned subsidiary PT.MIT Investment Indonesia ("PT. MIT Investment") with a paid-up capital of IDR11,000,000 (approximately S\$1,000).

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

Issued and fully paid-up share capital	:	S\$12,634,009 <sup>(1)</sup>
Number of issued shares	:	660,771,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of treasury shares	:	Nil
Number of subsidiary holdings held	:	Nil

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	11	6.59	5,700	0.00
1,001 - 10,000	39	23.35	218,000	0.03
10,001 - 1,000,000	91	54.49	14,599,700	2.21
1,000,001 AND ABOVE	26	15.57	645,947,600	97.76
<b>TOTAL</b>	<b>167</b>	<b>100.00</b>	<b>660,771,000</b>	<b>100.00</b>

## SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 21 March 2024, approximately 27.18% of the issued ordinary shares of the Company ("**Shares**") was held by the public and, therefore, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist is complied with.

## SUBSTANTIAL SHAREHOLDERS

(as recorded in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Tay Kiat Seng <sup>(2), (3)</sup>	296,676,888	44.90	79,369,662	12.01
Soelistyo Dewi Soegiharto <sup>(2)</sup>	104,425,239	15.80	-	-
Unity Strength Pte. Ltd. <sup>(3)</sup>	79,369,662	12.01	-	-

### Notes:

- (1) As per the business profile of the Company filed with Accounting and Corporate Regulatory Authority.
- (2) Tay Kiat Seng and Soelistyo Dewi Soegiharto are husband and wife.
- (3) Tay Kiat Seng is deemed to be interested in all the Shares held by Unity Strength Pte. Ltd. by virtue of Section 7 of the Companies Act 1967 of Singapore.
- (4) Tay Kiat Seng holds 296,676,888 Shares through a nominee account with HSBC (Singapore) Nominees Pte Ltd.
- (5) Soelistyo Dewi Soegiharto holds 99,425,239 Shares and 5,000,000 Shares through nominee accounts with United Overseas Bank Nominees (Private) Limited and Citibank Nominees Singapore Pte Ltd respectively.

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	325,298,688	49.23
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	99,425,239	15.05
3	UNITY STRENGTH PTE. LTD.	79,369,662	12.01
4	YEO KHEE SENG BENNY	30,000,000	4.54
5	KGI SECURITIES (SINGAPORE) PTE. LTD.	23,687,211	3.58
6	NGEW SEW YANG	22,228,200	3.36
7	ROBIN NG ZHI PENG	20,995,500	3.18
8	CITIBANK NOMINEES SINGAPORE PTE LTD	5,003,800	0.76
9	QUEK BENG WEE (GUO MINGWEI)	5,000,000	0.76
10	TAN THIAM BENG	3,840,000	0.58
11	TAN CHYE KIN	3,633,800	0.55
12	DAVIN NG	3,510,000	0.53
13	RAFFLES NOMINEES (PTE.) LIMITED	2,905,900	0.44
14	TANG SOOK KENG	2,569,700	0.39
15	SHERLEY TEO SIEW HOON	2,382,800	0.36
16	LEE TIAN HOCK	1,965,800	0.30
17	SEE CHAI TIAM	1,927,550	0.29
18	LIM KIAN CHAI	1,612,000	0.24
19	CHONG HONG KIT	1,600,000	0.24
20	CHONG ZHENSHAN (ZHUANG ZHENSHAN)	1,525,200	0.23
	<b>TOTAL</b>	<b>638,481,050</b>	<b>96.62</b>

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tay Kiat Seng, Ms Soelisty Dewie Soegiharto and Mr Yap Chee Wee are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 24 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each, a “Retiring Director”).

Pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst (“Catalist Rules”), the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules:

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
Date of first appointment	6 March 2013	6 March 2013	1 September 2023
Date of last re-appointment (if applicable)	29 April 2022	12 April 2021	NA
Age	62	59	51
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, board diversity consideration, and the search and nomination process)	The re-election of Tay Kiat Seng as a Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Tay Kiat Seng’s qualifications, skills, expertise, experience, past experience and overall contribution since he was appointed as a Director of the Company, and the diversity of the Board with regards to the objective of the Board Diversity Policy of the Company.	The re-election of Soelisty Dewie Soegiharto as a Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Soelisty Dewie Soegiharto’s qualification, skills, expertise, past experience and overall contribution since she was appointed as a Director of the Company, and the diversity of the Board with regards to the objective of the Board Diversity Policy of the Company.	The re-election of Yap Chee Wee as a Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Yap Chee Wee’s qualifications, skills, expertise, experience, past experience and overall contribution since he was appointed as a Director of the Company, and the diversity of the Board with regards to the objective of the Board Diversity Policy of the Company.
Whether appointment is executive, and if so, the area of responsibility	Re-appointment as Executive Director.  Responsible for overseeing the Group’s business performance and direction as well as formulating, developing and overseeing the execution of business strategies for growth and expansion	Re-appointment as Executive Director.  Responsible for the business direction, managing and overseeing the Singapore operations, and supporting the overall management and business operations of the Group.	Re-appointment as Independent Non-Executive Director.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer, as well as a member of the Nominating Committee	Managing Director	Independent Non-Executive Director, Chairman of the Nominating Committee, as well as a member of the Audit Committee and the Remuneration Committee

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
Professional qualifications	Bachelor of Engineering in Mechanical Engineering, University of Strathclyde, United Kingdom	Bachelor of Engineering in Chemical Engineering, The University of New South Wales, Australia	Bachelor of Accountancy (Honours), Nanyang Technological University, Singapore
Working experience and occupation(s) during the past 10 years	1996 to Current: Memiontec Pte Ltd - Executive Director  March 2013 to Current: Memiontec Holdings Ltd. - Executive Director and Chief Executive Officer  December 2019 to June 2021: Memiontec Holdings Ltd. - Chairman	1996 to Current: Memiontec Pte Ltd - Director  March 2013 to Current: Memiontec Holdings Ltd. - Managing Director	Chartered Financial Analyst (CFA)  Chartered Accountant (CA) Singapore  2007 to Current: Fleur Capital (S) Pte Ltd - Founder and Chief Executive Officer
Shareholding interest in the listed issuer and its subsidiaries	As at 21 March 2024 Direct Interest – 296,676,888 shares in the Company  Deemed Interest – 79,369,662 shares in the Company	As at 21 March 2024 Direct Interest – 104,425,239 shares in the Company	NIL

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</p>	<p>Tay Kiat Seng holds the following shares in the Company as at 21 March 2024:</p> <ol style="list-style-type: none"> <li>1. Direct Interest - 296,676,888 shares</li> <li>2. Deemed Interest - 79,369,662 shares</li> </ol> <p>Tay Kiat Seng is the spouse of Soelistyo Dewi Soegiharto (Managing Director and a substantial shareholder of the Company).</p> <p>Tay Kiat Seng is a director and a controlling shareholder of Unity Strength Pte. Ltd., a substantial shareholder of the Company.</p> <p>Tay Kiat Seng sits on the boards of the following subsidiaries of the Company:</p> <ol style="list-style-type: none"> <li>1. Memiontec Pte Ltd;</li> <li>2. M Water Resources International Pte. Ltd.;</li> <li>3. Memiontec Industries Pte. Ltd.;</li> <li>4. PT Memiontec Indonesia;</li> <li>5. MIT Water Technology (Chengdu) Co. Ltd.;</li> <li>6. PT Jakpro Memiontec Air (Commissioner);</li> <li>7. Memiontec Company Limited (Legal Representative and General Director);</li> <li>8. MIT Investment Pte. Ltd.; and</li> <li>9. PT MIT Investment Indonesia</li> </ol>	<p>Soelistyo Dewi Soegiharto holds 104,425,239 shares in the Company as at 21 March 2024.</p> <p>Soelistyo Dewi Soegiharto is the spouse of Tay Kiat Seng (Executive Chairman and CEO, and a substantial shareholder of the Company).</p> <p>Soelistyo Dewi Soegiharto sits on the boards of the following subsidiaries of the Company:</p> <ol style="list-style-type: none"> <li>1. Memiontec Pte Ltd;</li> <li>2. M Water Resources International Pte. Ltd.;</li> <li>3. Memiontec Industries Pte. Ltd.; and</li> <li>4. PT Memindo Pratama</li> </ol>	<p>NIL</p>
<p>Conflict of Interest (including any competing business)</p>	<p>Please refer to the section entitled "Interested Person Transactions" of the offer document dated 21 February 2020 issued by the Company in relation to the Company's listing on the Catalyst Board of the SGX-ST.</p>	<p>Please refer to the section entitled "Interested Person Transactions" of the Offer Document dated 21 February 2020 issued by the Company in relation to the Company's listing on the Catalyst Board of the SGX-ST.</p>	<p>No</p>



# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Past (for the last 5 years)	<u>Directorship</u> 1. Memiontec (Wuxi) Co., Ltd  <u>Other Principal Commitment</u> Nil	<u>Directorships</u> 1. PT Memiontec Indonesia 2. PT Jakpro Memiontec Air (Commissioner)  <u>Other Principal Commitment</u> Nil	<u>Directorship</u> 1. Apollo EV Pte. Ltd  <u>Other Principal Commitment</u> Nil
Present	<u>Directorships</u> 1. Memiontec Pte Ltd 2. M Water Resources International Pte. Ltd. 3. Memiontec Industries Pte. Ltd. 4. MIT Water Technology (Chengdu) Co. Ltd. 5. PT Memiontec Indonesia 6. PT Jakpro Memiontec Air (Commissioner) 7. UI Pte. Ltd. 8. Unity Strength Pte. Ltd. 9. Memiontec Company Limited (Legal Representative and General Director) 10. MIT Investment Pte. Ltd. 11. PT MIT Investment Indonesia 12. PT Universal Energy Investment (fka PT MIT Water Technologies)  <u>Other Principal Commitment</u> Nil	<u>Directorships</u> 1. Memiontec Pte Ltd 2. M Water Resources International Pte. Ltd. 3. Memiontec Industries Pte. Ltd. 4. PT Memindo Pratama 5. UI Pte. Ltd. 6. PT Universal Energy Investment (fka PT MIT Water Technologies)  <u>Other Principal Commitment</u> Nil	<u>Directorships</u> 1. Fleur Capital (S) Pte. Ltd. 2. Infiniti Real Estate Strategies Fund Limited 3. J3 Gems Pte. Ltd 4. KH Roberts Group Pte. Ltd 5. PT Keith Harris Indonesia 6. KH Roberts (Thailand) Co Ltd 7. Lucro Investments VCC 8. Tara Capital VCC 9. SW Group Capital VCC 10. TINGB VCC  <u>Other Principal Commitment</u> Nil

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	Yes. Mr Yap was an independent Non-Executive director of Sunvic Chemical Holdings Limited (" <b>Sunvic</b> ") from 12 July 2010 to 19 December 2016. On 30 November 2015, Singapore Exchange Limited reprimanded Sunvic for breaches of listing rules relating to interested person transactions. No action was taken against the then directors of Sunvic (which includes Mr Yap) by the Singapore Exchange Limited for these breaches.

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAY KIAT SENG	MS SOELISTYO DEWI SOEGIHARTO	MR YAP CHEE WEE
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>			
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No	No

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of **Memiontec Holdings Ltd.** (the “Company”) will be held at Poolside Lounge, SAF Yacht Club, 43 Admiralty Road West, Singapore 759962 on Wednesday, 24 April 2024 at 10.00 a.m. (Singapore Time) for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Directors’ Statement and the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare and approve the payment of a tax exempt (one-tier) first and final cash dividend of S\$0.00196 per ordinary share (FY2022: S\$0.00118 per ordinary share) in the capital of the Company for the financial year ended 31 December 2023 (“**First and Final Dividend**”).  
  
[See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to the Constitution of the Company and who, being eligible, offer themselves for re-election as a Director of the Company:
  - (a) Mr Tay Kiat Seng (Retiring under Regulation 96) **(Resolution 3)**
  - (b) Ms Soelistyo Dewi Soegiharto (Retiring under Regulation 96) **(Resolution 4)**
  - (c) Mr Yap Chee Wee (Retiring under Regulation 100) **(Resolution 5)**  
[See Explanatory Note (ii)]
4. To note the retirement of Mr Jackson Chevalier Yap Kit Siong.  
  
Mr Jackson Chevalier Yap Kit Siong, upon his retirement at the conclusion of this AGM, shall cease to be the Chairman of the Board and the Remuneration Committee, as well as a member of the Audit Committee and the Nominating Committee.
5. To approve the payment of Directors’ fees of up to S\$150,000 (FY2023: up to S\$150,000) for the financial year ending 31 December 2024, to be paid half yearly in arrears. **(Resolution 6)**
6. To re-appoint PKF-CAP LLP as the Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
7. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### Ordinary Resolutions

#### 8. Authority to allot and issue shares

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”), the Constitution of the Company and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Directors of the Company be and are hereby authorised and empowered to:

- (a) (i) allot and issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (ii) new Shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraph (2)(i) or sub-paragraph (2)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provision of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until: (i) the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.”

[See Explanatory Note (iii)]

**(Resolution 8)**

# NOTICE OF ANNUAL GENERAL MEETING

## 9. Authority to offer and grant awards and allot and issue shares under the Memiontec Performance Share Plan

"That, pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorised and empowered to offer and grant awards ("**Awards**") in accordance with the provisions of the Memiontec Performance Share Plan (the "**PSP**") and to allot and issue from time to time such number of fully paid-up new Shares as may be required to be allotted and delivered pursuant to the vesting of the Awards granted by the Company under the PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be issued pursuant to the PSP, when aggregated with the total number of new Shares allotted and issued and/or Shares to be allotted and issued delivered and/or to be delivered pursuant to Awards already granted under the PSP, and the aggregate number of Shares over which options or awards are granted under any share option schemes or share schemes of the Company, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iv)]

**(Resolution 9)**

## 10. Proposed renewal of the Share Buyback Mandate

"That:

- (a) for the purposes of the Catalist Rules and the Companies Act, and such other laws and regulations as may for the time being be applicable, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases (each a "**Market Purchase**") transacted through the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the purchases or acquisitions of Shares; and/or
  - (ii) off-market purchases (each an "**Off-Market Purchase**"), otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless revoked or varied by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and up to:
  - (i) the date on which the next AGM of the Company is held or required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in a general meeting,

whichever is earliest;



# NOTICE OF ANNUAL GENERAL MEETING

(c) in this resolution:

**“Maximum Percentage”** means not more than 10% of the issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings), subject always to the free float requirement as set out in Section 2.9(c) of the appendix to this Notice of AGM dated 9 April 2024 (**“Appendix”**) as at the date of passing of this resolution (excluding any Shares which are held as treasury shares or subsidiary holdings as at that date);

**“Relevant Period”** means the period commencing from the date on which the resolution in relation to the renewal of the Share Buyback Mandate is passed at the AGM of the Company and expiring on the earliest of the date the next AGM of the Company is held or is required by law to be held, or the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting;

**“Maximum Price”** in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-market day period and the day on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are made; and

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company and/or any one of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.”

[See Explanatory Note (v)]

**(Resolution 10)**

## 11. **The proposed grant of an Award to Mr Tay Kiat Seng, a controlling shareholder of the Company, under the Memiontec Performance Share Plan**

“That:

(a) approval be and is hereby given for the proposed grant of an Award to Mr Tay Kiat Seng, a controlling shareholder of the Company, in accordance with the Rules of the Memiontec Performance Share Plan and on the following terms:

Proposed date of grant of the Award : 5 May 2024

Number of Shares which are the subject of the Award : Up to 1,800,000 Shares

Vesting period of the Award : One (1) year from the date of grant of the Award

Vesting condition of the Award : Subject to the Group achieving certain predetermined financial and performance targets for the financial year ending 31 December 2024, as determined by the Remuneration Committee administering the Memiontec Performance Share Plan

# NOTICE OF ANNUAL GENERAL MEETING

- (b) the Directors of the Company be and are hereby authorised to issue and allot new Shares and/or transfer existing Shares to Mr Tay Kiat Seng pursuant to the vesting of the Award, in accordance with the Rules of the Memiontec Performance Share Plan and on the terms of the Award; and
- (c) the Directors of the Company and each of them be and is hereby authorised and empowered to complete and do all such acts and things, and to approve and execute all such documents as they or he may consider necessary, desirable, expedient or appropriate to give effect to this resolution, with such modifications thereto (if any) as they or he may think fit in the interests of the Company."

[See Explanatory Note (vi)]

**(Resolution 11)**

12. **The proposed grant of an Award to Ms Soelistyo Dewi Soegiharto, a controlling shareholder of the Company, under the Memiontec Performance Share Plan**

"That:

- (a) approval be and is hereby given for the proposed grant of an Award to Ms Soelistyo Dewi Soegiharto, a controlling shareholder of the Company, in accordance with the Rules of the Memiontec Performance Share Plan and on the following terms:

Proposed date of grant of the Award : 5 May 2024

Number of Shares which are the subject of the Award : Up to 1,080,000 Shares

Vesting period of the Award : One (1) year from the date of grant of the Award

Vesting condition of the Award : Subject to the Group achieving certain predetermined financial and performance targets for the financial year ending 31 December 2024, as determined by the Remuneration Committee administering the Memiontec Performance Share Plan

- (b) the Directors of the Company be and are hereby authorised to issue and allot new Shares and/or transfer existing Shares to Ms Soelistyo Dewi Soegiharto pursuant to the vesting of the Award, in accordance with the Rules of the Memiontec Performance Share Plan and on the terms of the Award; and
- (c) the Directors of the Company and each of them be and is hereby authorised and empowered to complete and do all such acts and things, and to approve and execute all such documents as they or he may consider necessary, desirable, expedient or appropriate to give effect to this resolution, with such modifications thereto (if any) as they or he may think fit in the interests of the Company."

[See Explanatory Note (vii)]

**(Resolution 12)**

# NOTICE OF ANNUAL GENERAL MEETING

## 13. The proposed grant of an Award to Ms Rachel Kwok Xiu Jian, an associate of a controlling shareholder of the Company, under the Memiontec Performance Share Plan

“That:

- (a) approval be and is hereby given for the proposed grant of an Award to Ms Rachel Kwok Xiu Jian, an associate of a controlling shareholder of the Company, in accordance with the Rules of the Memiontec Performance Share Plan and on the following terms:

Proposed date of grant of the Award : 5 May 2024

Number of Shares which are the subject of the Award : Up to 97,500 Shares

Vesting period of the Award : One (1) year from the date of grant of the Award

Vesting condition of the Award : Subject to the Group achieving certain predetermined financial and performance targets for the financial year ending 31 December 2024, as determined by the Remuneration Committee administering the Memiontec Performance Share Plan

- (b) the Directors of the Company be and are hereby authorised to issue and allot new Shares and/or transfer existing Shares to Ms Rachel Kwok Xiu Jian pursuant to the vesting of the Award, in accordance with the Rules of the Memiontec Performance Share Plan and on the terms of the Award; and

- (c) the Directors of the Company and each of them be and is hereby authorised and empowered to complete and do all such acts and things, and to approve and execute all such documents as they or he may consider necessary, desirable, expedient or appropriate to give effect to this resolution, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.”

[See Explanatory Note (viii)]

**(Resolution 13)**

By Order of the Board  
**Memiontec Holdings Ltd.**

Gn Jong Yuh Gwendolyn  
Company Secretary  
9 April 2024

### Explanatory Notes:

(i) Record Date and Payment Date for the First and Final Dividend

Subject to the approval of shareholders of the Company at this AGM of the Company, notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. (Singapore time) on 21 June 2024 (“**Record Date**”) for the purpose of determining shareholders’ entitlement to the First and Final Dividend.

Duly completed registrable transfers in respect of the shares in the Company received by the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098623, up to 5.00 p.m. on the Record Date will be registered to determine shareholders’ entitlement to the First and Final Dividend. In respect of the shares in the Company in the securities accounts with The Central Depository (Pte) Limited (“**CDP**”), the First and Final Dividend will be paid by the Company to CDP which will distribute the First and Final Dividend to holders of the securities accounts.

The First and Final Dividend, if approved by shareholders of the Company at this AGM of the Company, shall be payable on or about 8 July 2024.

- (ii) Mr Tay Kiat Seng will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company, as well as a member of the Nominating Committee of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

Ms Soelistyo Dewi Soegiharto will, upon re-election as a Director of the Company, remain as the Managing Director of the Company.

Mr Yap Chee Wee will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, Chairman of the Nominating Committee, as well as a member of the Audit Committee and the Remuneration Committee of the Company. There are no relationships (including immediate family relationships) between Mr Yap Chee Wee and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence. Mr Yap Chee Wee is considered by the Board of Directors of the Company to be independent for the purpose of Rule 704(7) of the Catalyst Rules.

Detailed information on each of the abovementioned Directors of the Company as required pursuant to Rule 720(5) of the Catalyst Rules can be found in the Annual Report 2023 under the section entitled "Disclosure of Information on Directors Seeking Re-election".

- (iii) The Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of this AGM of the Company until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities or the exercise of share options or the vesting of share awards which were issued and outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (iv) The Ordinary Resolution 9, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares in the Company pursuant to the vesting of the Awards granted by the Company under the PSP, when aggregated with the total number of new Shares allotted and issued and/or Shares to be allotted and issued delivered and/or to be delivered pursuant to Awards already granted under the PSP, and the aggregate number of Shares over which options or awards are granted under any share option schemes or share schemes of the Company, up to a number not exceeding in aggregate (for the entire duration of the PSP) fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (v) The Ordinary Resolution 10, if passed, will empower the Directors of the Company during the Relevant Period to purchase or otherwise acquire by way of Market Purchases or Off-Market Purchases, Shares up to the Maximum Percentage of Shares, subject always to the free float requirements being complied with and on the terms of the Share Buyback Mandate as set out in the Ordinary Resolution and the Appendix. An illustration on the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate based on the audited financial statements of the Group for the financial year ended 31 December 2023 is set out in Section 2.7 of the Appendix. For more information relating to Ordinary Resolution 10, please refer to Section 2 of the Appendix.
- (vi) The Ordinary Resolution 11, if passed, will empower the Directors of the Company to grant an Award of up to 1,800,000 Shares to Mr Tay Kiat Seng, a controlling shareholder of the Company, on the terms as set out in the Rules of the Memiontec Performance Share Plan and the Appendix. For more information relating to Ordinary Resolution 11, please refer to Section 3 of the Appendix.
- (vii) The Ordinary Resolution 12, if passed, will empower the Directors of the Company to grant an Award of up to 1,080,000 Shares to Ms Soelistyo Dewi Soegiharto, a controlling shareholder of the Company, on the terms as set out in the Rules of the Memiontec Performance Share Plan and the Appendix. For more information relating to Ordinary Resolution 12, please refer to Section 3 of the Appendix.
- (viii) The Ordinary Resolution 13, if passed, will empower the Directors of the Company to grant an Award of up to 97,500 Shares to Ms Rachel Kwok Xiu Jian, an associate of a controlling shareholder of the Company, on the terms as set out in the Rules of the Memiontec Performance Share Plan and the Appendix. For more information relating to Ordinary Resolution 13, please refer to Section 3 of the Appendix.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. The Annual General Meeting (“AGM”) will be held at Poolside Lounge, SAF Yacht Club, 43 Admiralty Road West, Singapore 759962 on Wednesday, 24 April 2024 at 10.00 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions set out in this Notice of AGM. **There will be no option for Shareholders to participate virtually.**
2. No printed copies of the Annual Report 2023 and the Appendix will be sent to Shareholders. Shareholders may request for printed copies of the Annual Report 2023 and/or the Appendix by completing and returning the request form (sent to them by post together with printed copies of this Notice of AGM and the accompanying Proxy Form) no later than Tuesday, 16 April 2024. In addition, this Notice of AGM, the Annual Report 2023, the Appendix, the Proxy Form, and the request form may be accessed at the Company’s corporate website at the URL [www.memiontec.com/announcements](http://www.memiontec.com/announcements), and are also available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant comments, queries and/or questions before the AGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in this Notice of AGM. Please refer to the section titled “Key dates/deadlines” below for the relevant steps and details for Shareholders to participate at the AGM.
4. **There will be no option for Shareholders to participate virtually at the AGM. A Shareholder (whether individual or corporate) must vote live at the AGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM.** The Proxy Form may be accessed at the Company’s corporate website at the URL [www.memiontec.com/announcements](http://www.memiontec.com/announcements), and is also available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which failing which the proxy(ies) will vote or abstain from voting at his/her discretion.

Only Shareholders or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

5. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a member of the Company.
6. The Proxy Form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the registered address of the Company at 20 Woodlands Link #04-30/31 Singapore 738733; or
  - (b) if submitted by way of electronic means, be submitted via email to the Company at [irmr@memiontec.com](mailto:irmr@memiontec.com),

in either case, by 10.00 a.m. on Sunday, 21 April 2024 (being not less than seventy-two (72) hours before the time fixed for the AGM). **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

The proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing and where such proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where the proxy form is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

A Shareholder (who is not a relevant intermediary) entitled to attend, speak and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf. A proxy need not be a Shareholder. Where a Shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the number of shares to be represented by each proxy.

A Shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder. Where such Shareholder appoints two (2) or more proxies, the appointments shall be invalid unless such Shareholder specifies the number of shares to be represented by each proxy.

SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by Friday, 12 April 2024 at 5.00 p.m. (being seven (7) working days before the AGM).

# NOTICE OF ANNUAL GENERAL MEETING

## Personal Data Privacy:

By (a) submitting an instrument appointing a proxy or proxies to vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) addressing substantial and relevant questions from members received by the Company and if necessary, following up with the relevant members in relation to such questions; and
- (iii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/ or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

## Key dates/deadlines:

Key Dates	Events and Information
<b>5.00 p.m. on Friday, 12 April 2024</b>	Deadline for SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the Meeting as proxy to approach their respective SRS operators or relevant intermediaries to submit their votes and/or questions related to the resolutions to be tabled for approval at the AGM.
<b>10.00 a.m. on Wednesday, 17 April 2024</b>	Deadline for members to submit comments, queries and/or questions in advance of the AGM of the Company.
<b>10.00 a.m. on Friday, 19 April 2024</b>	The Company will endeavour to address all substantial and relevant questions, comments and/or queries received from Shareholders relating to the resolutions in the Notice of AGM prior to the AGM, by publishing its responses to the questions on the Company's corporate website at the URL <a href="http://www.memiontec.com/announcements">www.memiontec.com/announcements</a> and SGXNet at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> . The Company will also address any subsequent clarifications sought, or follow-up questions in respect of such substantial and relevant questions during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
<b>10.00 a.m. on Sunday, 21 April 2024</b>	<p>Deadline for members to submit Proxy Forms to appoint proxy(ies) (including the Chairman of the Meeting) to attend, submit question(s) and vote at the AGM of the Company.</p> <p>The Proxy Form must be submitted to the Company in the following manner:</p> <ol style="list-style-type: none"> <li>(a) if submitted by post, be lodged at the registered address of the Company at 20 Woodlands Link #04-30/31 Singapore 738733; or</li> <li>(b) if submitted by way of electronic means, be submitted via email to the Company at <a href="mailto:irmr@memiontec.com">irmr@memiontec.com</a>.</li> </ol> <p>Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.</p>
<b>10.00 a.m. on Wednesday, 24 April 2024</b>	Members and (where applicable) duly appointed proxies and representatives may participate at the AGM at Poolside Lounge, SAF Yacht Club, 43 Admiralty Road West, Singapore 759962. There will be no option for Shareholders to participate virtually.
<b>By Friday, 24 May 2024</b>	The Company will publish the minutes of AGM on the Company's corporate website at the URL <a href="http://www.memiontec.com/announcements">www.memiontec.com/announcements</a> and on SGXNet at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> within one (1) month after the AGM.

*This notice 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 notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.*

*The contact person for the Sponsor is Ms. Karen Soh, Managing Director, ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.*

# MEMIONTEC HOLDINGS LTD.

(Company Registration No.: 201305845W)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

### IMPORTANT

- The Annual General Meeting ("AGM" or "Meeting") of the Company is being convened, and will be held at Poolside Lounge, SAF Yacht Club, 43 Admiralty Road West, Singapore 759962. **There will be no option for shareholders to participate virtually.**
- The Notice of AGM is also accessible (a) via publication on the Company's corporate website at the URL [www.memiontec.com/announcements](http://www.memiontec.com/announcements); and (b) via publication on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
- Arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the AGM, addressing of substantial and relevant comments, queries and/or questions before the AGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in the Notice of AGM.
- A member (whether individual or corporate) must vote live at the AGM or must appoint proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
- SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators or relevant intermediaries to submit their votes by Friday, 12 April 2024 at 5.00 p.m. (that is, at least seven (7) working days before the date of the AGM).
- By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy(ies) (including the Chairman of the Meeting) as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We\*, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration Number\*)

of \_\_\_\_\_ (Address)

being a shareholder/shareholders\* of MEMIONTEC HOLDINGS LTD. (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares (Ordinary Shares)	%

and/or\* (please delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares (Ordinary Shares)	%

or failing him/her/them\*, the Chairman of the Meeting as my/our\* proxy/proxies\* to vote for me/us\* on my/our\* behalf at the AGM to be convened and held at Poolside Lounge, SAF Yacht Club, 43 Admiralty Road West, Singapore 759962 on Wednesday, 24 April 2024 at 10.00 a.m. (Singapore Time) and at any adjournment thereof in the following manner:

\*Delete as appropriate.

Ordinary Resolutions		For#	Against#	Abstain#
<b>Ordinary Business</b>				
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Directors' Statement and the Independent Auditor's Report thereon			
2.	Proposed payment of a tax exempt (one-tier) first and final cash dividend of S\$0.00196 per ordinary share in the capital of the Company for the financial year ended 31 December 2023 (FY2022: S\$0.00118 per ordinary share)			
3.	Re-election of Mr Tay Kiat Seng as a Director of the Company			
4.	Re-election of Ms Soelistyo Dewi Soegiharto as a Director of the Company			
5.	Re-election of Mr Yap Chee Wee as a Director of the Company			
6.	Payment of Directors' fees of up to S\$150,000 for the financial year ending 31 December 2024, to be paid half yearly in arrears (FY2023: up to S\$150,000)			
7.	Re-appointment of PKF-CAP LLP as Auditors of the Company and authority to Directors of the Company to fix their remuneration			
<b>Special Business</b>				
8.	Authority to allot and issue shares			
9.	Authority to offer and grant awards and allot and issue shares under the Memiontec Performance Share Plan			
10.	Proposed renewal of the Share Buyback Mandate			
11.	Proposed grant of an award to Mr Tay Kiat Seng, a controlling shareholder of the Company, under the Memiontec Performance Share Plan			
12.	Proposed grant of an award to Ms Soelistyo Dewi Soegiharto, a controlling shareholder of the Company, under the Memiontec Performance Share Plan			
13.	Proposed grant of an award to Ms Rachel Kwok Xiu Jian, an associate of a controlling shareholder of the Company, under the Memiontec Performance Share Plan			

# Voting will be conducted by poll. If you wish to appoint proxy(ies) or appoint the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please tick with "✓" in the "For" or "Against" box in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish to appoint proxy(ies) or appoint the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please tick with "✓" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy(ies) or the Chairman of the Meeting, as your proxy, is directed to abstain from voting in the "Abstain" box in respect of that resolution. **In the absence of specific directions in respect of a resolution, the proxy(ies) will vote or abstain from voting at his/her discretion.**



Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

<b>Total number of Shares Held</b>

\_\_\_\_\_  
Signature(s) of Shareholder(s) or  
Common Seal of Corporate Shareholder

**Notes:**

1. Except for a member who is a relevant intermediary as defined under Section 181(6) of the Companies Act 1967 of Singapore ("**Companies Act**"), a member of the Company entitled to attend, speak and vote at the Annual General Meeting of the Company ("**AGM**") is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two (2) proxies, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. Pursuant to Section 181(1C) of the Companies Act, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.
5. Members who wish to appoint proxy(ies) to attend, speak and vote at the AGM on their behalf must complete and submit this proxy form in accordance with the instructions hereof by Sunday, 21 April 2024 at 10.00 a.m. (being not less than seventy-two (72) hours before the time fixed for the AGM).
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its constitution and Section 179 of the Companies Act.
8. A member should insert the total number of shares held in this proxy form. If the member has shares entered against his/her/its name in the Depository Register (as defined in Section 815F of the Securities and Futures Act 2001 of Singapore), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert the number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
9. This duly executed proxy form together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be sent by email to [irmr@memiontec.com](mailto:irmr@memiontec.com) or by post to the registered address of the Company at 20 Woodlands Link #04-30/31 Singapore 738733 by 10.00 a.m. on 21 April 2024 (being not less than seventy-two (72) hours before the time fixed for the AGM).

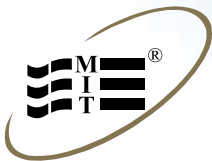
This proxy form is also made available on SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at [www.memiontec.com/announcements](http://www.memiontec.com/announcements). A member of the Company who wishes to submit a proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time fixed for the AGM as certified by The Central Depository (Pte) Limited to the Company.
11. For investors who hold shares in the capital of the Company under the Supplementary Retirement Scheme ("**SRS Investors**"), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to exercise their votes should approach their SRS operators by Friday, 12 April 2024 at 5.00 p.m. (being seven (7) working days before the AGM).

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(es) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.





**MEMIONTEC**  
Membrane Ionexchange Technology

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