



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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)**

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)**

C O N T E N T S

	<u>PAGE</u>
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1 – 2
B. Condensed interim statements of financial position	3 – 4
C. Condensed interim statements of changes in equity	5 – 6
D. Condensed interim consolidated statement of cash flows	7
E. Notes to the condensed interim consolidated financial statements and other information	8 – 22

This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Goh Mei Xian, ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

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

	Note	Group		
		1H2025	1H2024	Increase/ (Decrease)
		S\$'000 (Unaudited)	S\$'000 (Unaudited)	%
Revenue	2	15,871	30,045	(47.2)
Cost of sales		(16,181)	(25,851)	(37.4)
Gross (loss)/profit		(310)	4,194	N.M
Other income		107	352	(69.6)
General and administrative expenses		(2,900)	(2,865)	1.2
Operating (loss)/profit		(3,103)	1,681	N.M
Finance costs		(605)	(63)	>100
Share of (loss)/profit of a joint venture		(68)	48	N.M
(Loss)/profit before income tax		(3,776)	1,666	N.M
Income tax expense	4	(170)	(275)	(38.2)
Net (loss)/profit for the period	3	(3,946)	1,391	N.M
Other comprehensive (loss)/income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange loss on translation of foreign operations		(1,136)	(321)	>100
Other comprehensive loss for the period, net of tax		(1,136)	(321)	>100
Total comprehensive (loss)/income for the period		(5,082)	1,070	N.M
Net (loss)/profit for the period attributable to:				
- Owners of the Company		(3,944)	1,389	N.M
- Non-controlling interests		(2)	2	N.M
		(3,946)	1,391	N.M
Total comprehensive (loss)/income for the period attributable to:				
- Owners of the Company		(5,080)	1,068	N.M
- Non-controlling interests		(2)	2	N.M
		(5,082)	1,070	N.M
(Loss)/Earnings per share				
- Basic and diluted (Singapore cents per share)	(A1)	(0.35)	0.12	N.M

N.M denotes Not Meaningful.

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

A1. (LOSS)/EARNINGS PER SHARE (“LPS/EPS”)

(a) Basic and Diluted (LPS)/EPS

Basic and diluted (LPS)/EPS is calculated by dividing the net (loss)/profit attributable to owners of the Company for the respective periods by the weighted average number of ordinary shares outstanding during the respective periods.

	Group	
	1H2025	1H2024
	(Unaudited)	(Restated)
Net (loss)/profit for the period attributable to owners of the Company (S\$'000)	(3,944)	1,389
Weighted average number of ordinary shares for basic and diluted EPS	1,122,193,000	1,122,193,000*
Basic and diluted (LPS)/EPS (Singapore cents per share)	(0.35)	0.12

* The Company's weighted average number of ordinary shares in issue for 1H2024 was 660,771,000. As a result of the completion of the Rights cum Warrants Issue exercise in May 2025, the Company's number of ordinary shares in issue increased from 660,771,000 to 1,101,285,000. Subsequent to the exercise, a total of 20,908,000 warrants had been exercised as at 30 June 2025.

Accordingly, the weighted average number of ordinary shares for 1H2024 has been retrospectively adjusted to enable a better comparison of the EPS.

1H2025 denotes six-month financial period from 1 January 2025 to 30 June 2025.

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

*Rights cum Warrants Issue is defined as the renounceable non-underwritten rights cum warrants issue of up to 440,514,000 new ordinary shares in the capital of the Company (“**Rights Shares**”) at an issue price of S\$0.009 for each Rights Share, on the basis of two (2) Rights Shares for every three (3) existing ordinary shares in the Company held by entitled shareholders of the Company, with up to 704,822,400 free detachable warrants (“**Warrants**”) each carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.003 for each new share, on the basis of eight (8) Warrants for every five (5) Rights Shares subscribed for.*

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 30 June 2025

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2025	2024	2025	2024
		S\$'000	S\$'000	S\$'000	S\$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>ASSETS</u>					
Current assets					
Cash and bank balances		6,243	9,055	1,259	363
Trade and other receivables		6,641	6,755	9,283	9,960
Contract assets		26,479	26,794	-	-
Inventories		104	139	-	-
Total current assets		39,467	42,743	10,542	10,323
Non-current assets					
Property, plant and equipment	5	1,120	1,299	-	-
Right-of-use assets	5	415	502	-	-
Investment in subsidiaries		-	-	8,593	4,593
Investment in joint ventures		2,404	2,688	-	-
Other investment	8	2,137	2,070	-	-
Deferred tax assets		113	121	-	-
Total non-current assets		6,189	6,680	8,593	4,593
Total assets		45,656	49,423	19,135	14,916
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade and other payables		16,325	16,379	3,295	2,604
Contract liabilities		1,397	1,972	-	-
Lease liabilities	6	277	379	-	-
Borrowings	6	12,611	15,574	3,018	3,022
Income tax payable		358	227	-	5
Total current liabilities		30,968	34,531	6,313	5,631
Non-current liabilities					
Lease liabilities	6	337	378	-	-
Borrowings	6	1,083	-	-	-
Retirement benefit obligations		487	524	-	-
Total non-current liabilities		1,907	902	-	-

MEMIONTEC HOLDINGS LTD. AND ITS SUBSIDIARIES
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)
As at 30 June 2025

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2025	2024	2025	2024
		S\$'000	S\$'000	S\$'000	S\$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Capital, reserves and non-controlling interests					
Share capital	7	15,930	12,092	15,930	12,092
Translation reserves		(2,855)	(1,719)	-	-
Other reserves		181	181	-	-
(Accumulated losses)/retained earnings		(677)	3,267	(3,108)	(2,807)
Equity attributable to owners of the Company		12,579	13,821	12,822	9,285
Non-controlling interests		202	169	-	-
Total equity		12,781	13,990	12,822	9,285
Total liabilities and equity		45,656	49,423	19,135	14,916
Net asset value per share					
(Singapore cents per share)	B1	1.12	1.23	1.14	0.83

B1. NET ASSET VALUE PER SHARE

	Group		Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
Equity attributable to owners of the Company (S\$'000)	12,579	13,821	12,822	9,285
Number of ordinary shares in issue	1,122,193,000	1,122,193,000*	1,122,193,000	1,122,193,000*
Net asset value per ordinary share (Singapore cents per share)	1.12	1.23	1.14	0.83

* As at 31 December 2024, there were 660,771,000 ordinary shares in issue. As a result of the completion of the Rights cum Warrants Issue exercise in May 2025, the number of ordinary shares of the Company as at 31 December 2024 has been retrospectively adjusted to enable a better comparison of the net assets value per share.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Share capital S\$'000 (Note 7)	Translation reserve S\$'000	Other reserves S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 January 2025 (Audited)	12,092	(1,719)	181	3,267	13,821	169	13,990
Issuance of new shares pursuant to Rights cum Warrants Issue, net of transaction costs	3,838	-	-	-	3,838	-	3,838
<i>Total comprehensive loss for the period:</i>							
Net loss for the period	-	-	-	(3,944)	(3,944)	(2)	(3,946)
Other comprehensive loss for the period	-	(1,136)	-	-	(1,136)	-	(1,136)
Total	-	(1,136)	-	(3,944)	(5,080)	(2)	(5,082)
<i>Transactions with owners, recognised directly in equity:</i>							
Capital contribution in a subsidiary from other party	-	-	-	-	-	35	35
	-	-	-	-	-	35	35
Balance at 30 June 2025 (Unaudited)	15,930	(2,855)	181	(677)	12,579	202	12,781
Balance at 1 January 2024 (Audited)	12,092	(1,576)	(914)	12,000	21,602	60	21,662
<i>Total comprehensive income for the period:</i>							
Net profit for the period	-	-	-	1,389	1,389	2	1,391
Other comprehensive income for the period	-	(321)	-	-	(321)	-	(321)
Total	-	(321)	-	1,389	1,068	2	1,070
Balance at 30 June 2024 (Unaudited)	12,092	(1,897)	(914)	13,389	22,670	62	22,732

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

<u>Company</u>	Share capital S\$'000 (Note 7)	Retained earnings/ (Accumulated loss) S\$'000	Total S\$'000
Balance at 1 January 2025 (Audited)	12,092	(2,807)	9,285
Issuance of new shares pursuant to Rights cum Warrants Issue, net of transaction costs	3,838	-	3,838
Net loss for the period, representing total comprehensive loss for the period	-	(301)	(301)
Balance at 30 June 2025 (Unaudited)	15,930	(3,108)	12,822
Balance at 1 January 2024 (Audited)	12,092	34	12,126
Net profit for the period, representing total comprehensive income for the period	-	158	158
Balance at 30 June 2024 (Unaudited)	12,092	192	12,284

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Group	
		1H2025 S\$'000 (Unaudited)	1H2024 S\$'000 (Unaudited)
	Note		
Operating activities			
(Loss)/Profit before income tax		(3,776)	1,666
Adjustments for:			
Depreciation of property, plant and equipment	3.1 & 5	100	69
Depreciation of right-of-use assets	3.1 & 5	112	83
Loss on disposal of property, plant and equipment	5	-	17
Share of (loss)/profit of a joint venture		68	(48)
Interest expense		605	63
Interest income		(59)	(91)
Net foreign exchange gain (unrealised)		(684)	(14)
Operating cash flows before movements in working capital		(3,634)	1,745
Trade and other receivables		99	(1,258)
Contract assets		315	(635)
Inventories		34	(11)
Trade and other payables		805	(1,256)
Contract liabilities		(574)	238
Cash used in operations		(2,955)	(1,177)
Income tax paid		(200)	(350)
Interest received		59	91
Net cash used in operating activities		(3,096)	(1,436)
Investing activities			
Purchase of plant and equipment	5	(9)	(78)
Equity injection into financial asset, at FVOCI		(136)	-
Capital contribution in a subsidiary from other party		35	-
Net cash used in investing activities		(110)	(78)
Financing activities			
Proceeds from Rights cum Warrants Issue		2,057	-
Loan received to a director		1,000	-
Repayment to a shareholder		(120)	-
Interest paid		(436)	(63)
Proceeds from borrowings		7,061	15,328
Repayments of borrowings		(8,971)	(11,370)
Repayments of lease liabilities		(78)	(122)
Placement of fixed deposits pledged/restricted cash		(186)	651
Net cash generated from financing activities		327	4,424
Net (decrease)/increase in cash and cash equivalents		(2,879)	2,910
Cash and cash equivalents at beginning of the period		7,403	11,764
Effect of exchange rate changes on the balance of cash held in foreign currencies		(3)	(134)
Cash and cash equivalents at end of the period (Note A)		4,521	14,540

Note A – Cash and cash equivalents

Cash and bank balances	6,243	16,037
Less: Time deposits pledged for banking facilities purpose	(922)	(1,497)
Less: Restricted cash	(800)	-
Cash and cash equivalents per consolidated statement of cash flows	4,521	14,540

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

1. BASIS OF PREPARATION

The condensed interim consolidated statement of financial position of Memiontec Holdings Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2025 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2025 and certain explanatory notes have been prepared in accordance with *SFRS(I) 1-34 Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the Group’s performance since the last audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

The accounting policies and methods of computation adopted are consistent with those adopted by the Company in the most recently audited consolidated financial statements of the Group for the financial year ended 31 December 2024, which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) and Interpretations of SFRS(I) (“**SFRS(I) INT**”), except for the adoption of new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group’s operations and become effective for annual periods beginning on or after 1 January 2025. The adoption of these new and revised standards and interpretations does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current or prior period.

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

The condensed interim consolidated financial statements for the six-month period ended 30 June 2025 have been prepared on a going concern basis, since management has verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

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

The condensed interim consolidated financial statements for the six-month period ended 30 June 2025 have not been audited or reviewed by the Company’s auditors.

1.2 AUDIT OPINION ON LATEST FINANCIAL STATEMENTS

The Group’s latest audited consolidated financial statements for the financial year ended 31 December 2024 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company’s auditors on 9 April 2025.

1.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the condensed interim consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recently audited consolidated financial statements as at and for the financial year ended 31 December 2024.

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

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

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

1.4 SUBSEQUENT EVENTS

Subsequent to 30 June 2025, there are no known subsequent events that may have a material effect on the condensed interim consolidated financial statements of the Group.

2. REVENUE

2.1 DISAGGREGATION OF REVENUE

	Group	
	1H2025	1H2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time:		
Revenue from TSEPC projects	14,630	28,278
Revenue from OMS services	841	1,125
At a point in time:		
Revenue from SDS	322	584
Revenue from SOW	78	58
Total	15,871	30,045

Explanatory notes:

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

2.2 Seasonality of operations

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

3. NET (LOSS)/PROFIT FOR THE PERIOD

3.1. SIGNIFICANT ITEMS

	Group	
	1H2025	1H2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Income:		
Government grant income	8	24
Interest income	59	91
Foreign exchange gain, net	-	14
Expense:		
Depreciation of property, plant and equipment	(100)	(69)
Depreciation of right-of-use assets		
- Under cost of goods sold	(23)	(23)
- Under operating expense	(89)	(60)
Directors' fees	(72)	(65)

4. INCOME TAX EXPENSE

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

	Group	
	1H2025	1H2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Current income tax:		
- Current period	(160)	(260)
	(160)	(260)
Withholding tax expense on foreign-sourced interest income	(10)	(15)
Income tax expense for the period	(170)	(275)

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

	Group	
	Property, plant and equipment	Right-of-use assets
	S\$'000	S\$'000
Movements		
Net book value as at 1 January 2025 (Audited)	1,299	502
Additions ⁽¹⁾		
- Cash	9	-
- Non-cash (lease arrangement)	10	32
Depreciation	(100)	(112)
Exchange differences	(98)	(7)
Net book value as at 30 June 2025 (Unaudited)	1,120	415

Movements	Group	
	Property, plant and equipment	Right-of-use assets
	S\$'000	S\$'000
Net book value as at 1 January 2024 (Audited)	1,217	314
Additions ⁽¹⁾		
- Cash	288	-
- Non-cash (lease arrangement)	-	400
Depreciation	(200)	(231)
Disposals ⁽²⁾	(17)	(3)
Exchange differences	11	22
Net book value as at 31 December 2024 (Audited)	1,299	502

(1) During 1H2025, the Group recognised additions to property, plant and equipment and right-of-use assets of S\$19,000 and S\$32,000 respectively (1H2024: S\$78,000 and S\$ Nil respectively) of which S\$9,000 and S\$ nil (1H2024: S\$78,000 and S\$ nil) were paid by cash.

(2) The Group did not dispose any assets during 1H2025 (1H2024: S\$20,000).

6. BORROWINGS AND LEASE LIABILITIES

	Group	
	30 June 2025	31 December 2024
	S\$'000 (Unaudited)	S\$'000 (Audited)
Lease liabilities		
<u>Amount repayable within one year or on demand</u>		
Secured	70	60
Unsecured	207	319
	277	379
<u>Amount repayable after one year</u>		
Secured	189	224
Unsecured	148	154
	337	378
Lease liabilities	614	757
Borrowings		
<u>Amount repayable within one year or on demand - Secured</u>		
Revolving credit facilities	1,226	804
Invoice financing	3,778	6,154
Short term borrowing	3,018	3,022
Term loans	4,589	5,594
	12,611	15,574
<u>Amount repayable after one year or on demand - Secured</u>		
Term loan	1,083	-
Borrowings	13,694	15,574

Details of any collaterals

Lease liabilities of S\$259,000 as at 30 June 2025 (31 December 2024: S\$284,000) are secured by charges over leased motor vehicles included as part of "Right-of-use assets" and personal guarantees from a director of the Company.

Collaterals	Group	
	30 June 2025	31 December 2024
	S\$'000	S\$'000
Charges over leased motor vehicles only ⁽¹⁾	259	281
Charges over leased motor vehicles and personal guarantees from a director of the Company ⁽¹⁾	-	3
Total	259	284

The borrowings of S\$13,694,000 as at 30 June 2025 (31 December 2024: S\$15,574,000) are secured by the leasehold property of the Group, charge over the project proceeds, corporate guarantees from the Company and warehouse and office premises owned by a company controlled by a Director.

7. SHARE CAPITAL

7.1 Movements in Share Capital

	Group and Company			
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	Number of ordinary shares		S\$'000	S\$'000
<i>Issued and paid up:</i>				
At beginning of financial period/year	660,771,000	660,771,000	12,092	12,092
Shares issued pursuant to Rights cum Warrants Issue, net of transaction costs	461,422,000 ⁽¹⁾	-	3,838	-
At end of financial period/year	<u>1,122,193,000</u>	<u>660,771,000</u>	<u>15,930</u>	<u>12,092</u>

(1) Comprising 440,514,000 Rights Shares and 20,908,000 new shares of the Company issued upon exercise of 20,908,000 Warrants.

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.

Rights Shares

The Company has undertaken and completed the Rights cum Warrants Issue exercise in May 2025. Following the allotment and issuance of the Rights Shares, the number of issued and paid-up shares in the Company has increased from 660,771,000 to 1,101,285,000.

Warrants

Pursuant to the Rights cum Warrants Issue, the Company issued and allotted 704,822,258 Warrants on the basis of eight (8) Warrants for every five (5) Right Shares subscribed by the entitled shareholders of the Company at an exercise price of S\$0.003 per Warrant for each new share. Each Warrant may be exercised at any time during the period of three (3) years commencing on and including the date of issue of the Warrants and expiring on the 3rd anniversary of the date of issue of the Warrants. As at 30 June 2025, a total of 20,908,000 Warrants were exercised at S\$0.003 per Warrant for each new share, and accordingly 20,908,000 new shares were issued by the Company.

7.2 Treasury shares

The Company does not have any treasury shares as at 30 June 2025, 31 December 2024 and 30 June 2024.

7.3 Subsidiary holdings

None of the Group's subsidiaries holds any shares in the Company as at 30 June 2025, 31 December 2024 and 30 June 2024.

8. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

The following table presented the assets measured at fair value:

	Level 3 S\$'000	Total S\$'000
Group		
30 June 2025 (Unaudited)		
Other investment ⁽¹⁾ , held at fair value through other comprehensive income ("FVOCI")	2,137	2,137
31 December 2024 (Audited)		
Other investment ⁽¹⁾ , held at FVOCI	2,070	2,070

⁽¹⁾ Other investment pertains to the Group's investment of 15% stake in PT Tirta Madani ("PPTM"), a joint venture company incorporated to carry out Build-Operate-Own-Transfer ("BOOT") project of a water supply system in Pekan Baru, Indonesia. There is an additional investment in PPTM of S\$136,000 during 1H2025 (1H2024: S\$ Nil).

9. RELATED AND INTERESTED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

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

	Group	
	1H2025 S\$'000 (Unaudited)	1H2024 S\$'000 (Unaudited)
<u>A Director</u>		
Loan from director ⁽¹⁾	1,000	-
Interest expense on advances from a director	155	-
<u>A Director-controlled company</u>		
Lease payments of warehouse and office	(36)	(32)

- (1) The Executive Director and Chief Executive Officer of the Company, Mr Tay Kiat Seng, provided an additional loan of S\$1.0 million to the Company in June 2025. The loan, being an interested person transaction under Chapter 9 of the Catalist Rules, is interest bearing at an interest rate of 12% per annum, secured against corporate guarantee from a subsidiary of the Company, PT Memiontec Indonesia, and repayable by end of 2025. The value at risk of the loan, and together with all other interested person transactions entered into with Mr Tay Kiat Seng and his associates, for the current financial year commencing on 1 January 2025 and up to the date of this announcement, amounts to less than 3% of the Group's latest audited net tangible assets as at 31 December 2024.

9.2 INTERESTED PARTY TRANSACTIONS

The Group does not have a general mandate from shareholders for interested person transactions. Save as disclosed above under Section 9.1 of this announcement, there were no interested person transactions for S\$100,000 or more entered into by the Group for 1H2025.

10. REPORTABLE SEGMENTS

The Group's reportable segments are as follows:

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

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

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

(a) Segment revenue and results

	Group	
	1H2025	1H2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Segment revenue		
Revenue – TSEPC	14,630	28,278
Revenue - OMS	841	1,125
Revenue - SDS	322	584
Revenue - SOW	78	58
Total	15,871	30,045

Segment results

(Loss)/Profit from operations:

- TSEPC	(2,224)	1,790
- OMS	195	260
- SDS	20	353
- SOW	14	4
Total	(1,995)	2,407

Unallocated corporate income and costs:

Other income	107	352
General and administrative expenses	(1,215)	(1,078)
Share of (loss)/profit of a joint venture	(68)	48
Finance costs	(605)	(63)
(Loss)/Profit before income tax	(3,776)	1,666
Income tax expense	(170)	(275)
(Loss)/Profit for the period	(3,946)	1,391

(b) Geographical segments

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

	Revenue	
	1H2025	1H2024
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Singapore	5,492	22,926
Indonesia	10,379	7,119
Total	15,871	30,045

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

	Non-current assets	
	30 June	31 December
	2025	2024
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Singapore	449	564
Indonesia	5,591	5,990
China	36	5
Total	6,076	6,559

11. Financial Performance Analysis

11.1 Review of the Group's Financial Performance

1H2025 vs 1H2024

11.1.1 Revenue and gross (loss)/profit

	Group		
	1H2025	1H2024	Increase/ (Decrease)
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	%
Revenue from:			
- TSEPC	14,630	28,278	(48.3)
- OMS	841	1,125	(25.2)
- SDS	322	584	(44.9)
- SOW	78	58	34.5
Total	15,871	30,045	(47.2)
Cost of sales	(16,181)	(25,851)	(37.4)
Gross (Loss)/Profit	(310)	4,194	N.M
Gross (Loss)/Profit Margin	(2.0%)	14.0%	N.M

N.M denotes Not Meaningful.

Revenue

TSEPC Business Segment

	Group			
	1H2025	%	1H2024	%
	S\$'000 (Unaudited)		S\$'000 (Unaudited)	
Revenue from:				
- Singapore	4,837	33.1	21,976	77.7
- Indonesia	9,793	66.9	6,302	22.3
	14,630	100.0	28,278	100.0

Revenue for TSPEC business segment for 1H2025 was S\$13.6 million (48.3%) lower than 1H2024 due to the lower gross margins recognised from certain of the Group's ongoing PUB projects ("**Ongoing Projects**") in Singapore. The lower gross margins from the Ongoing Projects were mainly due to continued prolonged construction periods which resulted in higher manpower and finance costs. In accordance with the applicable accounting standards, the Group has revised the project budgets of the Ongoing Projects to update the higher project cost estimates through to the estimated completion of the Ongoing Projects.

The decrease was partially offset by an increase in revenue from Indonesia's TSEPC operations due to the significant work completed for larger projects in Indonesia in 1H2025 as compared to 1H2024.

OMS Business Segment

Revenue from OMS business segment decreased by S\$0.3 million or 25.2% to S\$0.8 million for 1H2025 (1H2024: S\$1.1 million) as many OMS contracts ended in 1H2025. The Group

continues to proactively participate in the tendering of new OMS projects in both Singapore and Indonesia.

SDS Business Segment

Revenue from SDS business segment for 1H2025 decreased by S\$0.3 million or 44.9% to S\$0.3 million (1H2024: S\$0.6 million) due to lower sales volume during the period under review.

SOW Business Segment

There were no significant changes in revenue for SOW business segment during the period under review.

Cost of Sales

The Group's cost of sales for 1H2025 decreased by S\$9.7 million or 37.4% to S\$16.2 million (1H2024: S\$25.8 million) due to ongoing major projects nearing completion.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin ("GLM/GPM")

The Group's gross loss and gross loss margin for 1H2025 amounting to S\$0.3 million or 2.0% (1H2024: gross profit of S\$4.2 million and gross profit margin of 14.0%), and were mainly due to the lower contribution from the Group's operations in Singapore which commanded lower margins. The lower gross margin was due to prolonged construction periods and supply chain disruption from the Group's TSEPC segment which resulted in higher materials, manpower and finance costs.

11.1.2 Other income

	Group		
	1H2025	1H2024	Increase/ (Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Government grant income	8	24	(66.7)
Interest income	59	90	(34.4)
Foreign exchange gain, net	-	14	<i>N.M</i>
Sundry income	40	224	(82.1)
Total	107	352	(69.6)

N.M denotes Not Meaningful.

In 1H2025, the Group received lower amounts of government grants as compared to 1H2024, mainly due to lower amount of grants received for progressive wage credit scheme in 1H2025.

In 1H2025, the Group recorded lower interest income generated from fixed deposits placement as compared to 1H2024 due to lower amount of fixed deposits placed.

In 1H2025, there is no net foreign exchange gain recorded mainly due to depreciation of Indonesian Rupiah against Singapore Dollar.

In 1H2025, the Group recorded lower sundry income as compared to 1H2024, mainly due to absence of sundry income for recovery of inventory and fixed assets from the completed projects recorded in 1H2024.

11.1.3 General and administrative expenses

	Group		
	1H2025	1H2024	Increase/ (Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Payroll costs	(976)	(1,089)	(10.4)
Directors' remuneration	(319)	(343)	(7.0)
Directors' fees	(72)	(65)	10.8
Consultancy and professional fees	(141)	(263)	(46.4)
Rental expense	(368)	(231)	59.3
Foreign exchange loss, net	(187)	-	N.M
Depreciation expense	(189)	(152)	24.3
Others	(648)	(722)	(10.2)
Total	(2,900)	(2,865)	1.2

N.M denotes Not Meaningful.

Overall, the Group incurred slightly higher general and administrative expenses in 1H2025, mainly due to increase in other expenses such as workers' dormitory rental, directors' fee and foreign exchange loss recorded. This was partially offset by the lower directors' remuneration and consultancy and professional fees during the period under review.

Payroll costs recorded in 1H2025 decreased by S\$0.1 million or 10.4% as compared to 1H2024 due to lower headcount with the major projects nearing completion.

Rental expenses recorded in 1H2025 increased by S\$0.1 million or 59.3% due to the higher rental rates upon lease renewal.

The Group recorded net foreign exchange loss in 1H2025 of S\$0.2 million mainly due to a depreciation of Indonesia Rupiah against Singapore Dollar as compared to a net foreign exchange gain recorded in 1H2024.

Other than the above, there were no significant changes in general and administrative expenses incurred in 1H2025, as compared to 1H2024.

11.1.4 Finance Costs

Finance costs in 1H2025 increased by S\$0.5 million due to the increase in interest expense from the loans given by banks, third-party and directors during the period under review.

11.1.5 Share of (loss)/profit of a joint venture

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 Hutan Kota BOOT project has commenced the production and sale of treated water since December 2019. Share of loss in 1H2025 was due the lower volume of water produced as compared to 1H2024.

11.1.6 Income tax expense

Income tax expense decreased in 1H2025 by S\$0.1 million or 38.2% due to no taxable profit from Singapore recorded for the period under review. The decrease was slightly offset by the increase in provision of taxation for Indonesian subsidiaries in respect of 1H2024 due to higher revenue and taxable profits.

11.1.7 Net (loss)/profit for the period

As a result of the above, net loss of the Group for 1H2025 was S\$4.3 million (1H2024: net profit of S\$1.4 million).

11.2. Review of the Group's financial position

30 June 2025 vs 31 December 2024

11.2.1 Current assets

	Group			
	30 June 2025	31 December 2024	Increase/ (Decrease)	Note
	S\$'000	S\$'000	S\$'000	
	(Unaudited)	(Audited)		
Cash and bank balances	6,243	9,055	(2,812)	(a)
Trade and other receivables	6,641	6,755	(114)	
Contract assets	26,479	26,794	(315)	(b)
Inventories	104	139	(35)	
Total current assets	39,467	42,743	(3,276)	

(a) For cash and bank balances, please refer to Section 11.3 of this announcement titled "Review of the Group's Cash Flows" on the reasons for the decrease.

(b) Contract assets primarily relate to the Group's right to consideration for work completed and not billed. The slight decrease was mainly due to the increase in billings issued upon the completion of the work.

11.2.2 Non-current assets

	Group			
	30 June 2025	31 December 2024	Increase/ (Decrease)	Note
	S\$'000	S\$'000	S\$'000	
	(Unaudited)	(Audited)		
Property, plant and equipment	1,120	1,299	(179)	(a)
Right-of-use assets	415	502	(87)	
Investment in a joint venture	2,404	2,688	(284)	(b)
Other investment	2,137	2,070	67	
Deferred tax assets	113	121	(8)	
	6,189	6,680	(483)	

(a) The decrease in property, plant and equipment was mainly due to depreciation charged of S\$0.1 million in 1H2025.

(b) For investment in a joint venture, please refer to Section 11.1.5 of this announcement titled "Share of (loss)/profit of a joint venture" on the reasons for the decrease. Further, there was a translation loss due to the depreciation of Indonesian Rupiah against the Singapore dollar in 1H2025.

11.2.3 Current liabilities

	Group			
	30 June 2025	31 December 2024	Increase/ (Decrease)	Note
	S\$'000	S\$'000	S\$'000	
	(Unaudited)	(Audited)		
Trade and other payables	16,325	16,379	(54)	
Contract liabilities	1,397	1,972	(575)	(a)
Bank borrowings	12,611	15,574	(2,963)	(b)
Others	635	606	29	
Total current liabilities	30,968	34,531	(3,563)	

(a) The decrease in contract liabilities was mainly due to delivery of services to the customers for the new projects in Indonesia in 1H2025.

- (b) The decrease in bank borrowings was mainly due to repayment of bank borrowings, partially offset by additional short-term supplier invoice financing received during the period under review.

11.2.4 Non-current liabilities

The increase was mainly due to additional bank borrowings received during 1H2025.

Debt to Equity (D/E) ratio as at 30 June 2025 was 1.12 times (31 December 2024: 1.17 times).

11.2.5 Working Capital

The Group recorded a positive working capital position of S\$8.5 million as at 30 June 2025 (S\$8.2 million as at 31 December 2024).

11.3. Review of the Group's cash flows

11.3.1 Operating activities

Net cash used in operating activities amounted to S\$3.1 million in 1H2025 (1H2024: S\$1.4 million). The net cash used for operations in 1H2025 was mainly due to the loss before tax.

11.3.2 Investing activities

Net cash used in investing activities amounted to S\$0.1 million in 1H2025 (1H2024: S\$0.1 million) was mainly due to the additional investment made in PT PPTM, partially offset by the capital contribution in a subsidiary by the other party.

11.3.3 Financing activities

Net cash generated from financing activities amounted to S\$0.3 million in 1H2025 (1H2024: S\$4.4 million) was mainly due to drawdown of borrowings of S\$7.0 million in 1H2025 (1H2024: S\$15.3 million), proceeds raised from the Rights cum Warrants Issue of S\$2.0 million in 1H2025 (1H2024: S\$ Nil) and loan received from a director of S\$1 million (1H2024: S\$ Nil), partially offset by the repayment of external borrowings amounting to S\$9.0 million in 1H2025 (1H2024: S\$11.4 million) and interest paid of S\$0.4 million (1H2024: S\$0.1 million).

12. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The unaudited consolidated financial results of the Group for 1H2025 as set out in this announcement, are in line with the profit guidance announcement for 1H2025 released by the Company on 1 August 2025.

13. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

As at 30 June 2025, the Group has an order book of approximately S\$23.7 million. Most of these projects are expected to be substantially completed within these 2 years.

In May 2025, the Group completed the Rights cum Warrants Issue exercise to raise funds of approximately S\$3.8 million (net of the related expenses incurred), which strengthened the Group's balance sheet. The Group continues with strategies through fundraising and strategic investors for expansion into BOOT and TOOT projects and merger and acquisition activities.

In Singapore, the Group will continue to tender for both public and private projects relating to membrane processes and Mechanical, Electrical, Instrument, Control and Automation works for water and wastewater treatment plants. The Group will exercise caution in participating for such tender exercises while keeping in mind the competitive environment.

Indonesia remains an important market for the Group given the emphasis and development of its water and wastewater treatment capacity. The Group is currently looking to scale up its project size for EPC contracts by actively searching in government and private industrial sectors and partner with local and overseas companies for large projects. The Group continues to explore in bid to secure new BOOT projects in the next 12 months.

Vietnam is a potential new market for the Group's expansion. The Group is seeing strong demand for water and wastewater treatment projects as well as BOOT projects in Vietnam that typically provide for the supply and the sales of water to consumers for a contractual concession period of 50 years. The Group is currently exploring suitable investment or joint venture opportunities and partnerships for tenders in government and private industry sectors for larger scale TSEPC projects.

The Group will therefore continue to operate with extreme care and caution due to the uncertain macroeconomic factors and other geopolitical tensions which may impact its operations.

14. Dividend information

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date Payable

Not applicable.

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

Not applicable.

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

No interim dividend has been declared or recommended for the current financial period under review as the Group recorded a net loss.

(f) Dividends

Not applicable.

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

The Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period, up to 30 June 2025.

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

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

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

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's condensed interim unaudited consolidated financial statements for the six-month period ended 30 June 2025 to be false or misleading in any material aspect.

18. Use of Proceeds

As announced by the Company on 8 May 2025 ("**8 May 2025 Announcement**"), the Company raised net proceeds of approximately S\$3.78 million (the "**Net Proceeds**") from the Rights cum Warrants Issue. As at the date of this announcement, the Net Proceeds have been fully utilised as follows:

Use of Net Proceeds	Allocation of Net Proceeds raised (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
General working capital requirements	3,775	3,775 ⁽¹⁾	-

Note

(1) A breakdown of the amount utilised for the general working capital requirements is as follows:

Description	Amount Utilised (S\$'000)
Set-off arrangement against the outstanding sums owed to the undertaking shareholder, Mr Tay Kiat Seng, under the Rights cum Warrants Issue exercise	1,780
Payroll related expenses	583
Repayment for supplier invoice financing due	992
Repayment for loan principal and interests	355
Payment to suppliers	65
Total	3,775

The use of the Net Proceeds is in accordance with the intended uses and allocations as disclosed in the 8 May 2025 Announcement.

On behalf of the Board of Directors

Tay Kiat Seng
Executive Director and Chief Executive Officer

14 August 2025