

MEMIONTEC HOLDINGS LTD.
(Company Registration No. 201305845W)
(Incorporated in the Republic of Singapore)

**RESPONSES TO QUESTIONS FROM A SHAREHOLDER IN RELATION TO THE ANNUAL
GENERAL MEETING TO BE HELD ON 24 APRIL 2024**

The board of directors (“**Board**”) of Memiontec Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to:

- (a) the annual report of the Company for the financial year ended 31 December 2023 (“**FY2023**”) (the “**Annual Report**”); and
- (b) the Notice of Annual General Meeting (“**AGM**”) dated 9 April 2024 together with the Appendix to the Notice of AGM, informing shareholders of the Company (“**Shareholders**”) that the AGM will 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).

The Board wishes to inform that, as of the deadline stipulated in the Notice of AGM (i.e. 10.00 a.m. on 17 April 2024), the Company has received questions from a Shareholder. The Board would like to thank the Shareholder who submitted the questions in advance of the AGM.

Please refer to *Appendix 1* hereto for the list of questions from the Shareholder, and the Company’s responses to these questions.

BY ORDER OF THE BOARD

Tay Kiat Seng
Executive Director and Chief Executive Officer

18 April 2024

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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.

Appendix 1: Responses to substantial and relevant questions

Unless otherwise defined, any capitalized but undefined terms used herein shall have the same meaning as those used in the Annual Report.

	Question	Response
1	<p>Page 8-9 of Annual Report 2023 – Gross Margin</p> <p>For 2023, despite high revenue, the gross margin actually dropped from 20% in 2022 to 13% in 2023.</p> <p>Can the Board explain the reasons for the drop?</p> <p>Will the gross margin decline further?</p> <p>What is the Board's plan to address this?</p>	<p>As explained in page 14 under the “Operating and Financial Review” section of the Annual Report, the decrease in gross margin for FY2023 was mainly due to the TSEPC operations in Singapore, which commanded lower margins, accounting for a larger portion of the Group’s total revenue in FY2023.</p> <p>Gross margin of the Group relies on the revenue contribution mix of the Group. The Company will continually monitor the margins to be within a reasonable range.</p>
2	<p>Page 9 of Annual Report 2023 – Gearing Ratio</p> <p>Gearing had shot up to 0.52.</p> <p>Can the Board explain if this is healthy?</p>	<p>Gearing ratio has increased significantly due to the increase in short-term borrowings related to project financing. The Board believes that this is temporary and the Group’s gearing ratio is still within a healthy range and is being carefully managed by the management of the Company.</p>
3	<p>Page 5 of Annual Report 2023 – Vietnam</p> <p>Have we started anything in Vietnam?</p>	<p>The Group is currently exploring mergers and acquisitions opportunities and other projects, including but not limited to, potential BOO investments in Vietnam.</p>
4	<p>Page 120 and 150 of Annual Report 2023 – Retirement Benefit Obligations</p> <p>Is this a form of payroll tax?</p>	<p>No, it pertains to the employee benefit upon termination of employment (post-employment benefit) in Indonesia, where the Group is required to provide for such expenses under Labor law in Indonesia.</p>

	Question	Response																																												
5	<p>Page 161 of Annual Report 2023 – Major Customer</p> <p>Currently, we are down to 1 major customer in Singapore that contributes 69% of the group revenue.</p> <p>How will this concentration risk be addressed?</p> <p>Can this be one of the reasons why Gross margin dipped as well?</p>	<p>A breakdown of the contribution by the Group’s major customers for the past 3 years is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Singapore:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>PUB</td> <td>55%</td> <td>27%</td> <td>69%</td> </tr> <tr> <td>Customer A</td> <td>11%</td> <td>4%</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Indonesia:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Customer 1</td> <td>-</td> <td>15%</td> <td>-</td> </tr> <tr> <td>Customer 2</td> <td>-</td> <td>15%</td> <td>-</td> </tr> <tr> <td>Customer 3</td> <td>-</td> <td>15%</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>66%</td> <td>76%</td> <td>69%</td> </tr> </tbody> </table> <p>Majority of the Group’s revenue is derived from projects with PUB in Singapore, which is preferred as there are no collectability issues for these projects and this ensures secured cash flows for the Group.</p> <p>To reduce this concentration risk, the Group continues to broaden its customer base as well as diversify its business in Singapore as well as overseas. Despite this being one of the reasons why the Group’s gross margin has dipped, the management of the Company is still of the view that the concentration risk exposure is manageable.</p>	Year	2021	2022	2023	Singapore:				PUB	55%	27%	69%	Customer A	11%	4%	-					Indonesia:				Customer 1	-	15%	-	Customer 2	-	15%	-	Customer 3	-	15%	-					Total	66%	76%	69%
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6	<p>With reference to Notice to AGM dated 9 April 2024, for resolutions 11, 12 & 13 which involved the 3 controlling shareholders:</p> <p>(a) Does the performance criteria include Gross Margin target? Customer base target?</p> <p>(b) The company is dependent on 1 major customer which accounts for 69% of the group revenue. This may result in inability to negotiate better margins (gross margin) i.e. the company is a price taker dictated by the major customer. Therefore, management should be measured by these specific factors and not blindly be rewarded by an increase in net profit.</p>	<p>a) The Company sets the Group’s financial budget and overall performance targets annually. The Group’s overall performance targets are rolled out to all departments which include project gross margin and customer base target, among many others.</p> <p>b) As mentioned in the response to Question 5 above, the Group has been actively broadening its customer base and diversifying its business in Singapore as well as overseas to reduce such concentration risk. The Board will take note and consider to incorporate such specific factors into determining the rewards moving forward.</p>																																												