



MEMIONTEC
Membrane Ionexchange Technology

MEMIONTEC HOLDINGS LTD.

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

PRESS RELEASE – For Immediate Release

**Memiontec Continues Growth Trajectory in FY2022
with Net Profit Surging 68.7% to S\$2.6 Million;
Proposed Final Dividend in FY2022 Increases 69%
to 0.118 Singapore Cents Per Share**

- Revenue contribution from Indonesia accounted for 60.7% of overall sales in FY2022, as more TSEPC projects in Indonesia were completed during the period under review
- Despite lower revenue recognised in FY2022, the Group’s gross profit rose by 36.4% to S\$8.6 million with gross profit margin increasing 6.3 percentage points to 20.2% in FY2022 as its TSEPC activities in Indonesia commanded higher margins
- Operationally, all of the Group’s four business segments continued to deliver positive profit contributions in FY2022
- Balance sheet with cash and bank balances of S\$13.3 million as at 31 December 2022
- Order book of approximately S\$105 million as at 31 December 2022 with majority of these projects, expected to be substantially completed within the next two years
- The Group has 3 BOOT/TOOT projects in Indonesia that have started the supply and the sale of water to consumers for a contractual concession period of 25 years
- Positive market trends and prospects in Southeast Asia provides opportunities for the Group to progressively scale up its recurring income stream with BOOT/TOOT projects in Indonesia and Vietnam

Current Reporting Period – Twelve Months Ended 31 December 2022

(S\$ million)	FY2022	FY2021	Change (%)
Revenue	42.8	45.6	(6.3)
Gross profit	8.6	6.3	+ 36.4
Profit attributable to owners of the Company	2.6	1.5	+ 68.7
Earnings per share (Singapore cents)	0.39	0.23	+ 69.6

Singapore, 28 February 2023 – Memiontec Holdings Ltd (“Memiontec” or “明泰控股”, the “Company” and together with its subsidiaries, the “Group”), a total water solutions provider, is pleased to announce that it has achieved higher profitability for the full year ended 31 December 2022 (“FY2022”) with profit attributable to owners of the Company increasing 68.7% to approximately S\$2.6 million.

Commenting on the FY2022 results, Memiontec’s Executive Director and CEO, Mr Tay Kiat Seng (郑吉成), said, *“Against a challenging inflationary environment, 2022 was a year of strong results and progress in our strategic roadmap.”*



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As COVID-19 restrictions eased in Indonesia, we have continued to focus on our clients' projects in this high-growth market, which was a key driver in our financial performance for FY2022.

With rising demand for water and wastewater solutions, we continue to seek opportunities to grow in the region. Notably, we are looking to enlarge the pipeline of our BOOT/TOOT projects in the region with the intention of expanding our recurring income base"

On the proposed increased dividend payment for FY2022, Mr Tay continued, "The proposed dividend of 0.118 Singapore cents per share for FY2022 translates into a dividend increment of 69% from last year's dividend payment of 0.209 Singapore cents per share before the stock split was completed.

Our dividend payment is an indicator of our commitment to deliver value and improving returns to our shareholders."

Review of Financial Results for FY2022

With a business model that encompasses the entire value chain in the water industry, the Group has 4 key business segments as follows:

- Total solutions with engineering, procurement and construction ("TSEPC") services;
- Operation, maintenance and service of water and wastewater treatment plants ("OMS");
- Sales and distribution of water treatment systems and trading ("SDS & Trading"); and
- Sales of water ("SOW") through transfer-own-operate-transfer ("TOOT") and build-own-operate-transfer ("BOOT") projects, which involve partnerships or joint ventures with public or private entities, for recurring income.

Indonesia contributed 60.7% or S\$26.0 million of overall revenue in FY2022: The Group registered total revenue of S\$42.8 million in FY2022 as compared to revenue of S\$45.6 million in FY2021, where its TSEPC business segment continues to be the key contributor with revenue of S\$39.1 million in FY2022 (FY2021: S\$41.6 million), accounting for 91.3% of total revenue in FY2022 (FY2021: 91.1%).

Revenue from its TSEPC business segment dipped slightly in FY2022 due to lower contribution from Singapore as there was a lower volume of work carried out in FY2022. However, with the easing of COVID-19 restrictions in Indonesia, the Group's work volume under the TSEPC business segment in Indonesia surged and sales doubled to S\$26.0 million in FY2022 (FY2021: S\$13.0 million).



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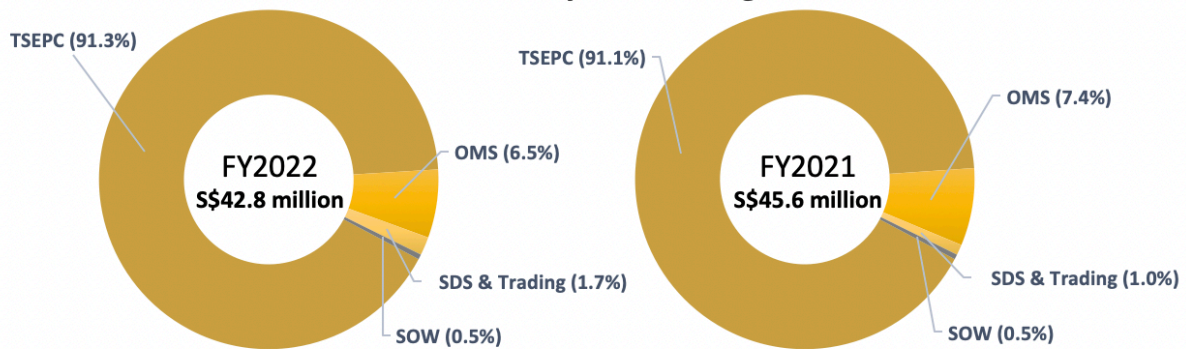
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Revenue from the Group's OMS business segment dipped to S\$2.8 million in FY2022 as compared to S\$3.4 million in FY2021, mainly due a lower number of OMS contracts undertaken in FY2022.

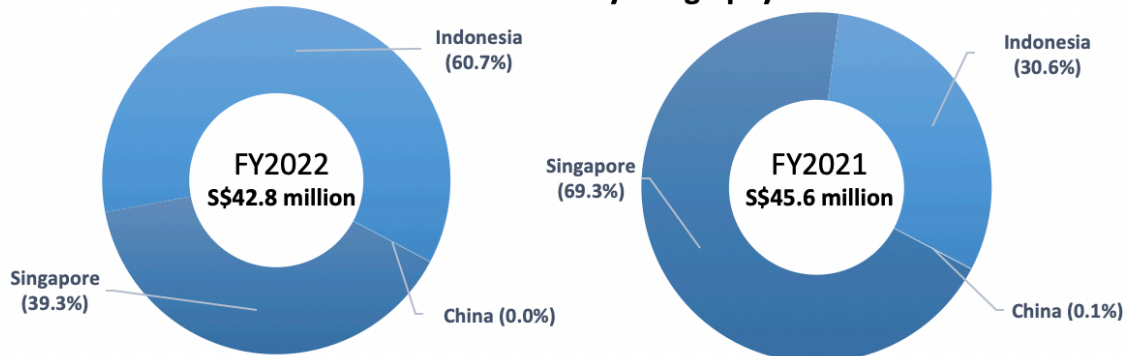
Driven by higher sales volume in FY2022, the Group's SDS business segment posted strong revenue growth of 63.8% to S\$0.7 million (FY2021: S\$0.5 million)

Revenue from the Group's SOW business segment remained relatively stable at S\$0.2 million in FY2022 (FY2021: S\$0.2 million).

Revenue Breakdown by Business Segments⁽¹⁾



Revenue Breakdown by Geography⁽¹⁾



Registered higher gross profit margin of 20.2% and increased gross profit of S\$8.6 million in FY2022: While the Group's revenue was slightly lower in FY2022 as compared to FY2021, overall gross profit margin increased by 6.3 percentage points to 20.2% in FY2022 as its TSEPC operations in Indonesia, which commanded higher margins, accounted for 60.7% of the Group's total revenue in FY2022 (FY2021: 30.7%).

Corresponding to higher gross profit margin, the Group's gross profit increased 36.4% to S\$8.6 million in FY2022 (FY2021: S\$6.3 million).

⁽¹⁾ Please refer to the Group's full year results announcement for FY2022 issued on 28 February 2023, which can be downloaded via www.sgx.com and <http://memiontec.com/announcements/>, for more information.



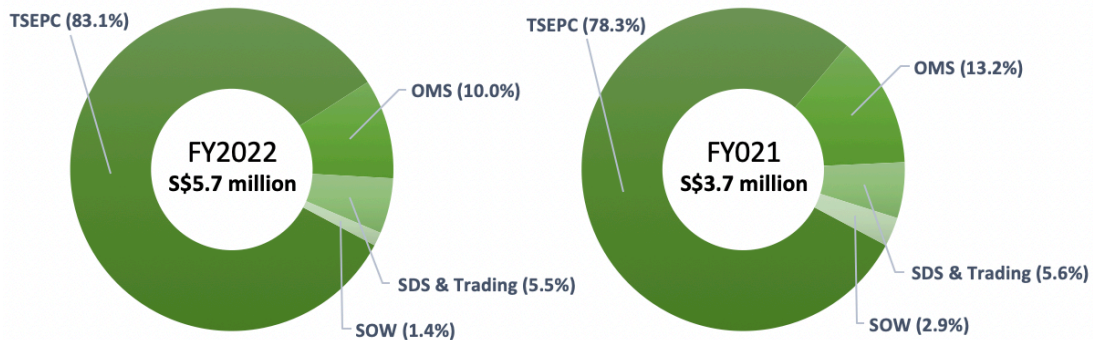
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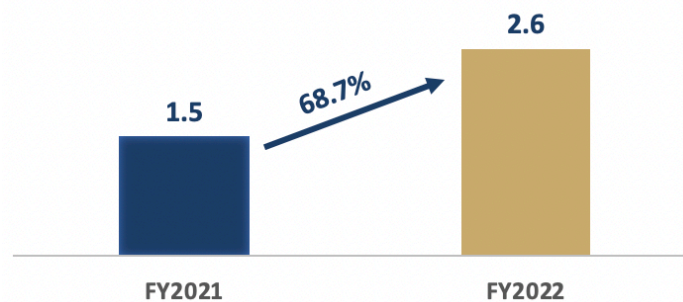
Operationally, all of the Group's four business segments continued to deliver positive profit contributions in FY2022.

Profit by Business Segments



Profit attributable to owners of the Company increased 68.7% to S\$2.6 million: Overall, Memiontec recorded higher profit attributable to owners of the Company of S\$2.6 million in FY2022 as compared to S\$1.5 million in FY2021.

Net Profit
(S\$ million)



As at 31 December 2022, the Group has an order book of approximately S\$105 million and majority of the order book is expected to be substantially completed within the next two years.

Resilient balance sheet with cash and bank balances of S\$13.3 million as at 31 December 2022: The Group's total assets stood at S\$38.2 million as at 31 December 2022, comprising total current assets of S\$33.1 million and total non-current assets of S\$5.1 million.

The Group's total equity increased by 6.5% to S\$19.4 million as at 31 December 2022, while the Group's total liabilities stood at S\$18.8 million, comprising total current liabilities of S\$15.9 million and total non-current liabilities of S\$2.9 million.

The Group's net cash generated from operating activities amounted to S\$0.3 million in FY2022 (FY2021: S\$3.0 million), mainly due to timing differences between payments to suppliers and collections from customers.



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Net cash used in the Group's investing activities amounted to S\$0.3 million in FY2022 (FY2021: S\$0.9 million), was mainly due to additional equity injection in a joint venture company incorporated for the execution of a BOOT project in Pekan Baru, Indonesia.

Net cash used in financing activities amounted to S\$1.6 million in FY2022 (FY2021: S\$1.9 million) as the Group repaid debts amounting to S\$1.3 million (FY2021: S\$1.3 million), drew down a loan of S\$0.3 million (FY2021: S\$0.9 million) and dividends amounting to S\$0.5 million (FY2021: S\$0.4 million) were paid during the period under review.

Consequently, the Group's overall cash and cash balances stood at S\$13.3 million as at 31 December 2022.

Positive market trends and prospects in Southeast Asia: Over the next 12 months in Singapore, there are prospects of larger scale public tenders relating to membrane processes and Mechanical, Electrical, Instrument, Control and Automation ("MEICA") works for water reclamation plants and other water works which will be awarded by the Public Utilities Board of Singapore in various contract packages. The Group will continue to actively look at higher value public tenders and continues to proactively bid for other private projects.

Expansion of the Group's long-term recurring revenue base from its SOW business segment from BOOT projects in Indonesia and Vietnam: In addition, the Group intends to grow its long-term recurring revenue base from its SOW business segment through collaborations with reputable local partners to secure additional TSEPC orders and BOOT projects in the region, with a focus on Indonesia and Vietnam.

In Indonesia, the need for clean water and wastewater treatment remains strong. The implementation of the National Medium Term Development Plan 2020-24 aims to achieve 100% access to safe water supply and 90% access to sanitation for Indonesian households by 2024.⁽²⁾ At the same time, water demand in Indonesia is continuing to rise quickly as a result of demographic and economic growth and is expected to increase by 31% between 2015 and 2045.⁽³⁾ The positive macro trends within Indonesia's water industry can potentially provide opportunities in TSEPC contracts and BOOT projects for the Group.

The Group has also identified Vietnam as a potential new market for expansion in South East Asia. The Group sees strong demand for water and wastewater treatment projects in Vietnam. The Group has incorporated a wholly-owned subsidiary, Memiontec Company Limited ("MVN") in October 2022 with a view to pursuing opportunities in Vietnam.

In Vietnam, BOOT projects typically allow the supply and the sale of water to consumers for a contractual concession period of 50 years.

(2) https://www.wearewater.org/en/water-and-sanitation-a-challenge-for-public-private-partnership_351921

(3) <https://blogs.worldbank.org/water/water-security-underpins-indonesias-vision-2045>



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With the rising trend of green funding and investments related to environmental, social and governance, the Group is also well positioned to tap on such green financing initiatives for water infrastructure projects with its capabilities to offer low carbon footprint solutions for TSEPC and BOOT projects in these two targeted markets.

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This press release is to be read in conjunction with Memiontec's announcement released on 28 February 2023, which can be downloaded via www.sgx.com and <http://memiontec.com/announcements/>.

About Memiontec Holdings Ltd.

(Bloomberg Code: MHL:SP / SGX Code: TWL.SI)

Memiontec Holdings Ltd. ("**Memiontec**" or the "**Company**", and together with its subsidiaries, the "**Group**") is a Singapore-based one-stop total solutions water treatment company with over 30 years of experience in water and wastewater management services across Singapore, Indonesia and the PRC.

Through the use of membrane, ion exchange, physical, chemical and biological processes and leveraging its in-house design, engineering, fabrication and assembly capabilities, Memiontec develops reliable, compact, cost-effective, innovative and space-efficient customised water and wastewater treatment solutions across the entire value chain in the water industry.

Serving both municipalities and diverse industries as a one-stop total solution water treatment company for more than 30 years, Memiontec has developed strong working relationships with both public and private sector customers in the region such as the Public Utilities Board (PUB), Obayashi Singapore, Pokka Corporation Singapore, Petrochemical Corporation of Singapore, PDAM (national water agency of Indonesia), PT Jakpro (Jakarta state-owned infrastructure developer), PT PP, PT Abipraya Brantas, Sinarmas, Lippo, etc.

For more information, please visit www.memiontec.com

Issued on behalf of Memiontec Holdings Ltd. by 8PR Asia Pte Ltd.

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

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