



PRESS RELEASE – For Immediate Release

**Memiontec Continues on Growth Path,  
Revenue Jumps 86.1% with  
Net Profit Surging by 24-Fold in 1H2021**

- Strong revenue growth in the six months ended 30 June 2021 (“1H2021”) is primarily driven by the increase in its TSEPC business segment of S\$14.41 million
- Despite additional costs arising from the effects of COVID-19 pandemic, the Group’s net profit increased to S\$0.48 million in 1H2021
- Net cash generated from operating activities amounted to S\$2.03 million in 1H2021
- The Group’s total assets increased to S\$39.55 million with cash and cash balances of S\$15.20 million as at 30 June 2021
- Harnessing the opportunities from the positive market prospects in Asia’s water industry, one of the Group’s strategic priorities is to grow its long-term recurring revenue base via additional BOOT/TOOT projects and also grow its order book, which stood at S\$81.6 million as at 30 June 2021

Current Reporting Period – Six Months Ended 30 June 2021

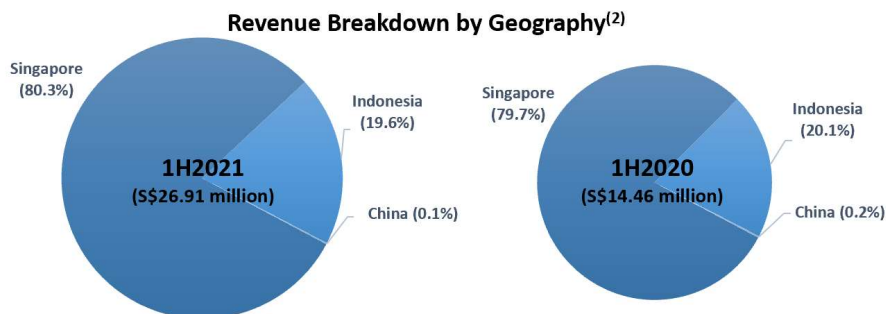
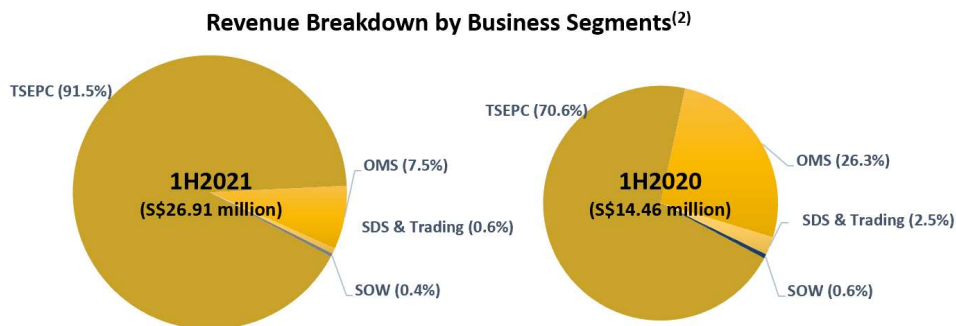
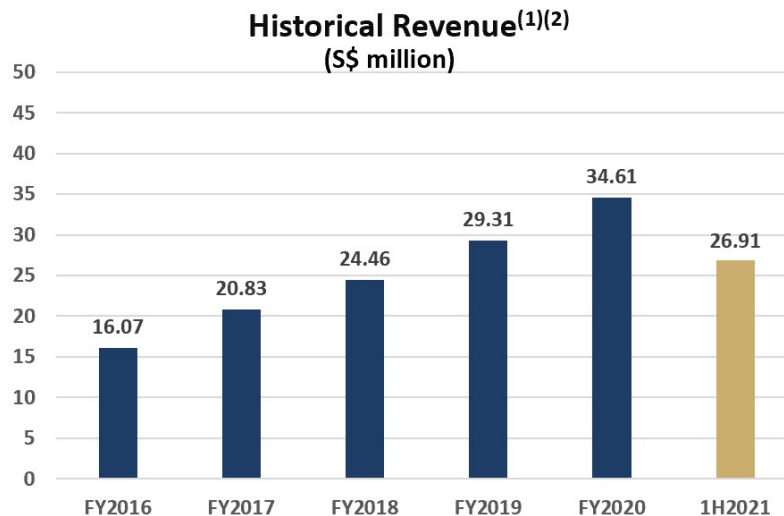
<i>(S\$ million)</i>	<i>1H2021</i>	<i>1H2020</i>	<i>Change (%)</i>
<b>Revenue</b>	<b>26.91</b>	<b>14.46</b>	<b>+86.1</b>
<b>Gross Profit</b>	<b>2.70</b>	<b>1.82</b>	<b>+48.5</b>
<b>Net Profit</b>	<b>0.48</b>	<b>0.02</b>	<b>&gt; 100.0</b>
<b>Earnings per share</b> <i>(Singapore cents)</i>	<b>0.22</b>	<b>0.01</b>	<b>&gt; 100.0</b>

Singapore, 10 August 2021 – Memiontec Holdings Ltd (“Memiontec” or “明泰控股” or the “Company”, and together with its subsidiaries, the “Group”), a total water solutions provider in Asia, is pleased to announce that it has recorded an encouraging set of financial results for 1H2021.

With a synergistic 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.

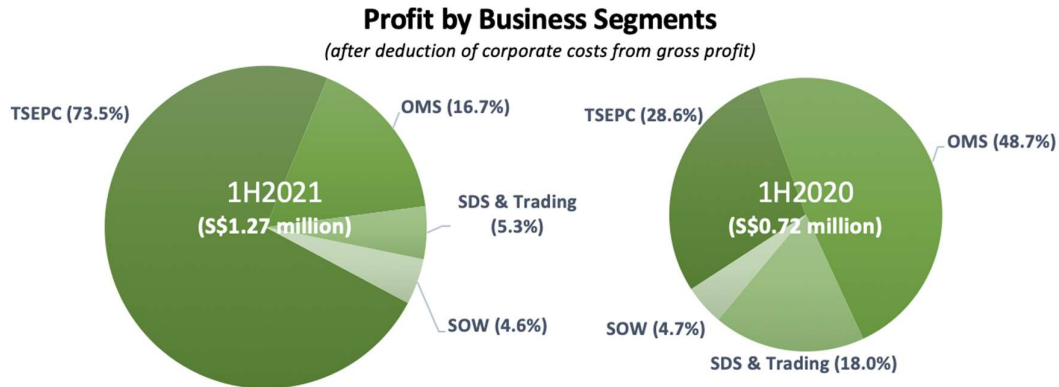
**Revenue growth of 86.1% to S\$26.91 million:** The Group registered revenue of S\$26.91 million in 1H2021, an increase of S\$12.45 million or 86.1%, as compared to revenue of S\$14.46 million for the six-month period ended 30 June 2020 (“1H2020”). The increase was mainly contributed by the increase in revenue from its TSEPC segment by S\$14.41 million from higher value contracts in 1H2021.



(1) Please refer to the Group's annual report for the financial year ended 31 December 2020 issued on 26 March 2021, which can be downloaded via [www.sgx.com](http://www.sgx.com) and <http://memiontec.com/investor-relations/publications/>, for more information.

(2) Please refer to the Group's six months results announcement for 1H2021 issued on 10 August 2021, which can be downloaded via [www.sgx.com](http://www.sgx.com) and <http://memiontec.com/announcements/>, for more information.

**Gross profit growth of 48.5% to S\$2.70 million:** While the Group's gross profit increased in 1H2021, its gross profit margin declined by 2.6 percentage points to 10.0% in 1H2021 mainly due to higher shipping and labour costs as well as other safety and compliance costs due to the COVID-19 pandemic as well as unfavourable higher foreign exchange costs from purchases denominated in foreign currencies.



In Indonesia, Memiontec has branched into the supply and sale of water through TOOT and BOOT projects with public or private entities, since 2016. Such BOOT and TOOT projects provide recurring income to the Group through OMS to the water treatment facilities operated by our joint arrangements and the supply and sale of water to the consumers by our joint arrangements during the contractual concession period of 25 years. Currently, the Group has a total of 3 such projects, of which 2 projects have started the supply and sale of water while the remaining project is under development with the first phase expected to be operational in 2022, barring unforeseen circumstances.

**Net profit growth of 2,305% to S\$0.48 million:** Overall, the Group recorded a net profit of S\$0.48 million in 1H2021 as compared to S\$0.02 million in 1H2020.

As at 30 June 2021, the Group has an order book at S\$81.6 million with almost half of the order book are from Indonesia, where the Group has built up its market network, local operation team and deep business presence for more than 20 years.

**Stronger balance sheet with cash and bank balances of S\$15.20 million as at 30 June 2021:** The Group's total assets increased to S\$39.55 million as at 30 June 2021, comprising total current assets of S\$35.29 million and total non-current assets of S\$4.26 million.

The Group's total liabilities stood at S\$22.52 million, comprising total current liabilities of S\$18.79 million and total non-current liabilities of S\$3.73 million.



**Net cash of S\$2.03 million from operating activities in 1H2021:** The Group's positive operating cash flows in 1H2021 was mainly due to project advance payments received from customers as well as higher progress claims for works performed up to 1H2021 according to contractual billing milestones of respective projects.

Net cash used in investing activities amounted to S\$0.12 million in 1H2021, relating to purchases of plant and equipment, to enhance the fabrication capabilities of our China subsidiary so as to achieve higher supply chain cost efficiency. Net cash used in financing activities amounted to S\$1.18 million in 1H2021, mainly due to repayments of borrowings and leases (including interests) of S\$0.77 million and distribution of dividends of S\$0.41 million.

Consequently, the Group's overall cash and cash equivalents increased by S\$0.73 million to S\$14.64 million as at 30 June 2021.

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

The need for clean water and wastewater treatment in Indonesia continues to be a priority, and the Indonesian government has committed to speed up the development of water supply infrastructure and distribution networks by encouraging private sector investments, including foreign investments, through Public-Private Partnership arrangements<sup>(3)</sup>. The Group will continue to seek opportunities in this area, including through collaborations with reputable local engineering and infrastructure entities with the goal of securing more orders for TSEPC and co-owning additional BOOT/TOOT projects.

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

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



**Memiontec's Executive Director and CEO, Mr Tay Kiat Seng, said, *"In an operating environment impacted by the COVID-19 pandemic, we are off to a positive start in 2021 with our continued focus on efficient operational execution and process optimisation.***

*The growing demand for water in Asia has created strong prospects for the future and the Group has made further progress with new contracts secured during the first half of the year.*

*Another key focus is to grow our long-term recurring revenue base via BOOT/TOOT projects in Southeast Asia, hence we will continue to proactively explore new synergetic collaborations with reputable engineering and infrastructure partners in our targeted markets.*

*Recognising the value of the integrated solutions that leverage our capabilities across the entire water industry, we aim to expand our business presence with innovative water solutions that are sustainable and financially viable."*

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*This press release is to be read in conjunction with Memiontec's six months results announcement for 1H2021 released on 10 August 2021, which can be downloaded via [www.sgx.com](http://www.sgx.com) and <http://memiontec.com/announcements/>.*



**About Memiontec Holdings Ltd.**

(Bloomberg Code: MHL:SP / SGX Code: SYM.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 20 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 in Asia as a one-stop total solution water treatment company for more than 20 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 <http://memiontec.com/>*

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***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 Catalyst.*

*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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