



**MEMIONTEC**  
Membrane Ionexchange Technology

**MEMIONTEC HOLDINGS LTD.**

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

**PRESS RELEASE – For Immediate Release**

## **Memiontec's Gross Profit Jumped 34.2% with Net Profit Surging 123.3% in 1H2022**

- Indonesia accounted for 57.2% of the Group's revenue in 1H2022 as more total solutions with engineering, procurement and construction (or TSEPC) projects in Indonesia were completed during the period under review
- Despite lower revenue registered in 1H2022, the Group's gross profit jumped 34.2% to S\$3.6 million as its Indonesia's TSEPC activities commanded higher margins
- Resilient balance sheet
- Order book of approximately S\$121 million as at 30 June 2022, with majority of these projects expected to be substantially completed within the next two years
- The Group's 3 Build-Operate-Own-Transfer (or BOOT) / Transfer-Operate-Own-Transfer (or TOOT) projects in Indonesia continued to supply and sell water to consumers at capacity as in accordance to the 25 years contractual concession

*Current Reporting Period – Six Months Ended 30 June 2022*

<b>(S\$ million, unless otherwise indicated)</b>	<b>1H2022</b>	<b>1H2021</b>	<b>Change (%)</b>
<b>Revenue</b>	<b>16.2</b>	<b>26.9</b>	<b>(39.8)</b>
<b>Gross profit</b>	<b>3.6</b>	<b>2.7</b>	<b>+ 34.2</b>
<b>Gross profit margin %</b>	<b>22.4%</b>	<b>10.0%</b>	<b>+ 12.4</b>
<b>Net profit attributable to owners of the Company</b>	<b>1.1</b>	<b>0.5</b>	<b>&gt; 100.0</b>
<b>Earnings per share (Singapore cents)</b>	<b>0.16</b>	<b>0.07</b>	<b>&gt; 100.0</b>

Singapore, 8 August 2022 – Memiontec Holdings Ltd. (“Memiontec” or “明泰控股”, the “Company” and together with its subsidiaries, the “Group”) is pleased to announce that it has achieved a strong bottom line for the half year ended 30 June 2022 (“1H2022”) with net profit attributable to owners of the Company surging 123.3% to approximately S\$1.1 million.

Commenting on the 1H2022 results, Memiontec's Executive Director and CEO, Mr Tay Kiat Seng (郑吉成), said, *“Our performance reflects the robustness of our business model, enabling diversification and creating positive momentum towards our 2026 vision of achieving growth in profit and increase in market capitalisation.”*



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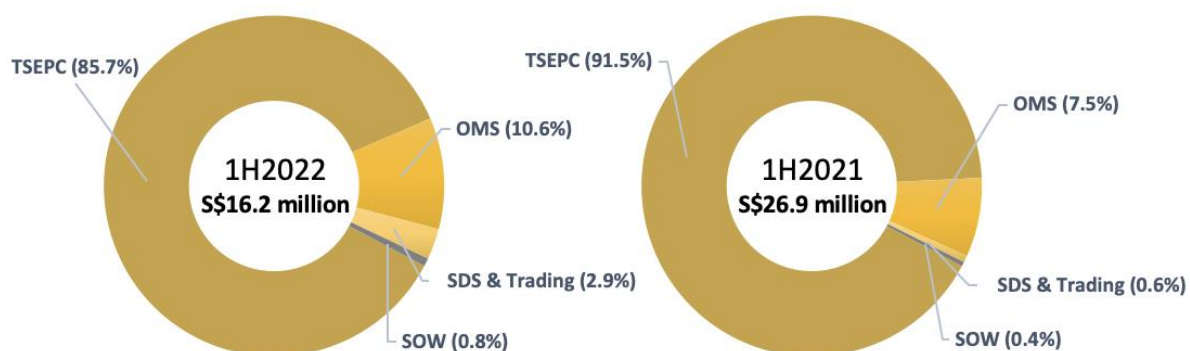
*We completed a significant part of the work for the replacement of a membrane filtration system at Tuas South Desalination Plant in 1H2021, while majority of the works relating to our largest contract to date of S\$56.6 million, C22C Contract, is scheduled to commence from the second half of 2022.*

*For 1H2022, our Indonesia's TSEPC activities have been a key contributor to our performance as we remain focused in our delivery of quality water treatment plants to our customers."*

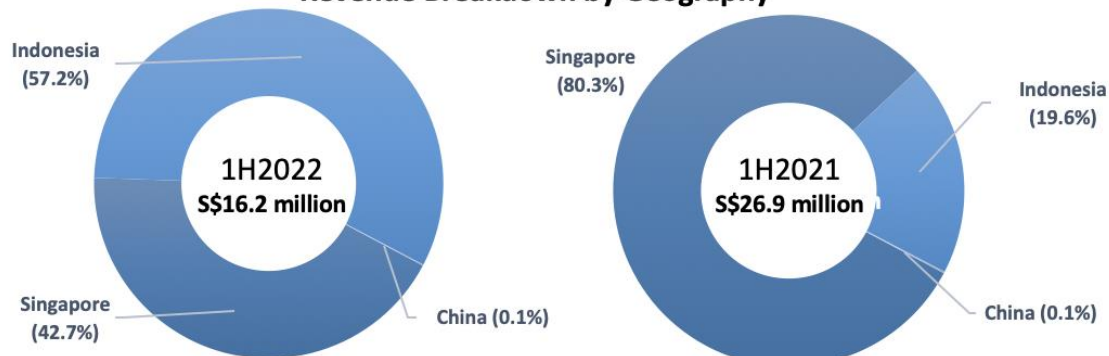
*Mr Tay continued, "With our growth strategies towards our vision for 2026, we aim to scale up our BOOT portfolio and secure larger TSEPC and OMS contracts in the region."*

**Review of Financial Results for 1H2022**

**Revenue Breakdown by Business Segments<sup>(1)</sup>**



**Revenue Breakdown by Geography<sup>(1)</sup>**



<sup>(1)</sup> Please refer to the Group's unaudited half year results announcement for 1H2022 issued on 8 August 2022, which can be downloaded via [www.sgx.com](http://www.sgx.com) and <http://memiontec.com/announcements/>, for more information.



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**Indonesia contributed 57.2% or S\$9.3 million of total revenue in 1H2022:** The Group registered revenue of S\$16.2 million in 1H2022 as compared to revenue of S\$26.9 million in 1H2021.

This was mainly due to lower volume of scheduled works from the TSEPC segment in Singapore, following the completion of a significant part of the project for the design, engineering, procurement, construction and plant proofing works for the replacement of a membrane filtration system at Tuas South Desalination Plant, the largest desalination plant in Singapore and South East Asia. This project was awarded to the Group by Public Utilities Board of Singapore (“**PUB**”) in September 2019 and was issued the Certificate of Substantial Completion in September 2021.

The Group secured its largest contract to date following the award of a S\$56.6 million contract (the “**C22C Contract**”) by PUB in March 2022. The C22C Contract involves the installation of membrane bioreactor equipment, which has a treatment capacity of 22 million gallons per day for the Changi Water Reclamation Plant Phase 2. The work under the C22C Contract commenced in May 2022 and the contract duration is estimated to be about 23 months.

The Group’s revenue from Indonesia increased significantly to S\$9.3 million, accounting for 57.2% of the Group’s total revenue in 1H2022 (1H2021: S\$5.3 million). The revenue contribution from Indonesia grew with the resumption of work following improvements in the COVID-19 pandemic situation in 1H2022.

Revenue from the Group’s operation, maintenance and service (or OMS) business segment decreased to S\$1.7 million in 1H2022 as compared to S\$2.0 million in 1H2021, mainly due to the completion of certain higher value OMS contracts in the financial year ended 31 December 2021 (“**FY2021**”), partially offset by new contracts secured and commenced in 1H2022. The Group continues to proactively participate in the tendering of new OMS projects in both Singapore and Indonesia.

The Group’s sales and distribution of water treatment systems and trading (or SDS) business segment achieved strong revenue growth in 1H2022 due to higher sales volume during the period under review.

Notably, revenue from the Group’s sales of water (or SOW) business segment increased by 14.8% in 1H2022 as its jointly operated water treatment plant in Indonesia was able to sell a higher volume of treated water in 1H2022.



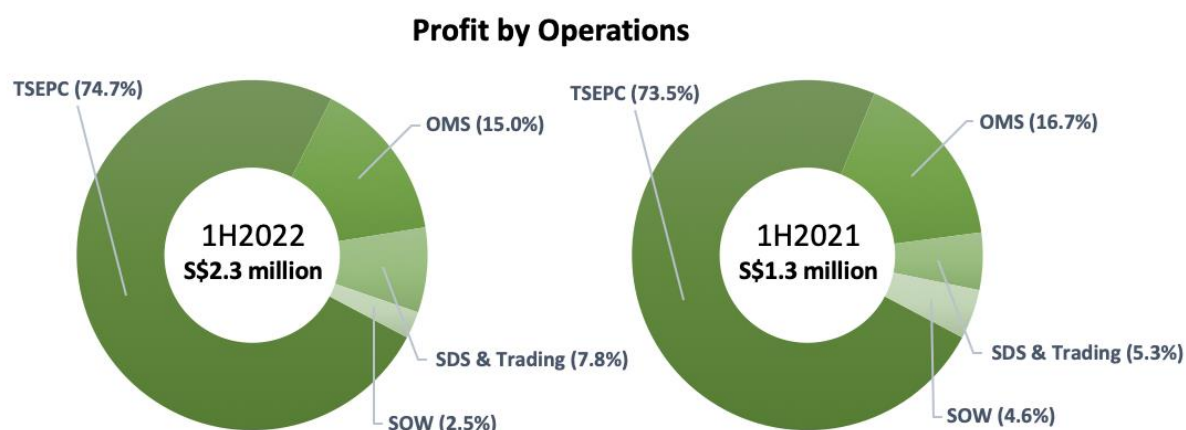
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**Registered higher gross profit margin of 22.4% and gross profit of S\$3.6 million in 1H2022:** The Group's, gross profit margin increased by 12.4 percentage points to 22.4% in 1H2022 as the Group's operations in Indonesia, which commanded higher margins.

Correspondingly, the Group's gross profit increased by 34.2% to S\$3.6 million in 1H2022 (1H2021: S\$2.7 million).



**Net profit attributable to owners of the Company increased 123.3% to S\$1.1 million in 1H2022:** Overall, Memiontec recorded net profit attributable to owners of the Company of S\$1.1 million in 1H2022 (1H2021: S\$0.5 million). For FY2021, Memiontec registered net profit attributable to owners of the Company of S\$1.5 million.

**Order book:** As at 30 June 2022, the Group has an order book of approximately S\$121 million, with majority of these projects expected to be substantially completed within the next two years.

**Resilient balance sheet:** The Group's total assets stood at S\$34.2 million as at 30 June 2022, comprising total current assets of S\$28.9 million and total non-current assets of S\$5.4 million.

The Group's equity increased by 3.8% to S\$18.9 million as at 30 June 2022, while the Group's total liabilities stood at S\$15.3 million, comprising total current liabilities of S\$11.8 million and total non-current liabilities of S\$3.6 million.

**Net cash of S\$2.4 million utilised during 1H2022:** The Group's net cash used in operating activities amounted to S\$1.2 million in 1H2022 (1H2021: net cash generated of S\$2.0 million), mainly due to the lag between payments to suppliers and collections from customers.



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Net cash used in financing activities amounted to S\$1.2 million in 1H2022 (1H2021: S\$1.2 million) as the Group repaid debts amounting to S\$0.6 million (1H2021: S\$0.7 million) during the period and dividends amounting to S\$0.5 million (1H2021: S\$0.4 million) were paid during the period.

**Positive market trends and prospects in Southeast Asia:** Over the next 12 months in Singapore, there are prospects from larger scale public tenders relating to membrane processes and Mechanical, Electrical, Instrument, Control and Automation works for the Tuas Water Reclamation Plant and other water works which are expected to be awarded by the PUB in various contract packages.

In Indonesia, the need for clean water and wastewater treatment continues to be a priority. The National Medium Term Development Plan 2020-24 in Indonesia targets to achieve 100% access to safe water supply and 90% access to sanitation for Indonesian households by 2024. It is an ambitious plan based on fostering collaboration with international institutions and boosting public-private initiatives<sup>(1)</sup>. This means additional opportunities in TSEPC contracts and BOOT projects in Indonesia for the Group.

As disclosed in the Company's annual report for FY2021, the Group has 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 as Vietnam has an ambitious plan to upgrade its wastewater treatment capacity<sup>(2)</sup>.

With the positive momentum for water treatment demand in the region, the Group will continue to participate in public and private tenders to increase revenue and earnings in the TSEPC and OMS business segments, as well as to broaden its exposure in BOOT projects.

The Group will operate with care and caution due to the uncertain macroeconomic factors, such as rising interest rates, inflation, COVID-19 pandemic and other geopolitical tensions, which may impact its operations.

As at 30 June 2022, the Group has an order book of approximately S\$121 million (30 June 2021: S\$81.6 million), with majority of these projects expected to be substantially completed within the next two years.

(1) [https://www.wearewater.org/en/water-and-sanitation-a-challenge-for-public-private-partnership\\_351921](https://www.wearewater.org/en/water-and-sanitation-a-challenge-for-public-private-partnership_351921)

(2) <https://www.export.gov/apex/article?id=Vietnam-Environmental-and-Pollution-Control-Equipment-and-Services>

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**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 in Asia 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](http://www.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 (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

*This press release has not been examined or approved by the SGX-ST and the 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.*

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