



Memiontec Holdings Ltd.

20 Woodlands Link #04-30/31, Singapore 738733

Tel: +65 6756 6989 | F: +65 6756 8274

Incorporated in the Republic of Singapore on 6 March 2013

Company Registration Number: 201305845W

FOR IMMEDIATE RELEASE

One-stop total solution water treatment company, Memiontec Holdings Ltd., launches IPO

- *Placement of 33,485,000 shares at \$0.225 each to raise S\$5.8 million in net proceeds*
- *Group's future growth underpinned by diversified revenue stream, strong regional presence and proven track record of over 20 years*
- *Intention to recommend and distribute dividends of a minimum of 20% of profit for the year attributable to owners of the Company for FY2019, and at least 25% for FY2020*

SINGAPORE, 21 February 2020 – Memiontec Holdings Ltd. ("**Memiontec**", and together with its subsidiaries, the "**Group**"), a one-stop water treatment total solution provider of water and wastewater management services across Singapore, Indonesia and the People's Republic of China (the "**PRC**"), announced the launch of its initial public offering ("**IPO**" or the "**Placement**") of 33,485,000 shares (the "**Placement Shares**") at S\$0.225 per share ("**Placement Price**") today, in conjunction with its proposed listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Placement represents approximately 15.2% of the enlarged share capital of 220,257,000 shares of Memiontec and based on the Placement Price, Memiontec's market capitalisation will be approximately S\$49.6 million post-Placement. The Placement will close at 12.00 noon on 3 March 2020 and the listing and trading of the Memiontec's shares is expected to commence on a "ready" basis at 9.00 am on 5 March 2020.

ZICO Capital Pte. Ltd. is the Sponsor and Issue Manager, while **UOB Kay Hian Private Limited** is the Placement Agent for this IPO.

About Memiontec Holdings Ltd.

Home-grown Memiontec is a one-stop total solution 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. The Group's main business segments are the provision of total solutions with



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engineering, procurement and construction (“**TSEPC**”) services, the operation, maintenance and service of water and wastewater treatment plants (“**OMS**”), the sales and distribution of modular and customised systems and equipment and the sales of water.

In 2016, the Group diversified its business into constructing and/ or operating water treatment facilities and supplying water through transfer-own-operate-transfer (“**TOOT**”) and build-own-operate-transfer (“**BOOT**”) projects in Indonesia, which involves partnerships or joint ventures with third party entities. The Group is able to generate stable and recurring income streams from the long term provision of operation and maintenance services to water treatment facilities as well as the supply of treated water during the concession period.

With a proven track record of successful public tenders and completion of large-scale municipal and industrial projects for government agencies and multinational corporations, Memiontec is a ME11 L6 BCA registered contractor in Singapore, which allows it to tender for public sector projects relating to mechanical engineering works with no tendering limits. The Group’s B2 and B1 construction service licenses in Indonesia allow it to carry out water treatment projects that are high-risk and/or high-technology and/or high-cost from both public and private sectors. Its TSEPC projects are supported by its PRC operations which procure and supply cost-competitive, customised and standardised water and wastewater treatment package systems for use in these projects.

Working across different parts of the value chain in the water industry with both municipalities and varied industries across the region, the Group has developed strong working relationships with both public and private sector customers in the region such as the Public Utilities Board (“**PUB**”), Petrochemical Corporation of Singapore (Private) Limited, PT JMA and Sinarmas Group.

Memiontec is led by a qualified, experienced and competent management team that comprises Executive Chairman and CEO, Mr Tay Kiat Seng (郑吉成); Managing Director, Ms Soelistyo Dewi Soegiharto (郭秀莉); and Executive Director, Mr Low Kian Beng (刘健民), each of whom has over 28 years of relevant experience in the water treatment industry. The Group also has an experienced and dedicated team of Executive Officers including finance staff, sales & marketing, project managers and engineers.

Mr Tay and Ms Dewi, who are also the founders of the Group, directly and indirectly own, in aggregate, approximately 81.5% of Memiontec’s post-Placement share capital and will remain as controlling shareholders.



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Prospects, Business Strategies and Future Plans

Memiontec's key geographical business markets are Indonesia and Singapore, which contributed 57.7% and 39.5% respectively to Memiontec's revenue for the financial year ended 31 December 2018 ("FY2018"). The demand for treated water in Indonesia is substantial with nearly one in two Indonesians lacking access to safe water, and clean water needs in Jakarta expected to rise from 28 cubic metres per second (m³/s) in 2017 to 41.6 m³/s in 2030¹. The current supply of clean water in Indonesia is inadequate with the ratio of water storage per capital being low at about 52.55 m³ per capita², groundwater being over exploited in urbanised areas, and water quality of rivers and lakes is poor. In response to this, the Indonesian government introduced the Public-Private Partnership ("PPP") Framework to channel private sector investment towards water supply projects and the BOOT model is a commonly adopted form for these projects.

In Singapore, water sources include water from local catchment areas, imported water, recycled water from five NEWater plants and desalinated water. Demand for water is currently about 430 million gallons a day ("mgd") and is expected to almost double by 2060³. Water supply channelled to the non-domestic sector is also expected to increase from the existing 55% to 70% by 2060⁴. It is anticipated that by 2060, the water catchment area will expand to 90% of Singapore's land area.⁵ Over the next few years, about 11 construction tender packages, estimated to be valued at over S\$2 billion, are expected to be called for the Tuas Water Reclamation Plant⁶. Two additional desalination plants at Marina East and Jurong Island will also be built by 2020.⁷ In 2019, PUB announced a S\$26 million fund for firms in water-intensive industries to increase industrial water savings by three million mgd every year⁸, through using water saving technologies. As at 3 June 2019, PUB has helped implement 22 such projects, with another 13 to be completed by 2021 and an additional 34 in the pipeline⁷.

¹ The information was extracted from an article titled "Indonesia's Growing Water Safety Crisis" written by Muhammad Zulfikar Rakhmat and published on the Asia Sentinel at <https://www.asiasentinel.com/society/indonesia-growing-water-safety-crisis/>, last accessed on 2 December 2019.

² The information was extracted from the internet publication titled "Indonesia – Country Water Assessment" of the Asian Development Bank at <http://www.adb.org/sites/default/files/institutional-document/183339/ino-water-assessment.pdf>, last accessed on 2 December 2019.

³ The information was extracted from the internet website of PUB at <https://www.pub.gov.sg/watersupply/singaporewaterstory>, last accessed on 2 December 2019.

⁴ The information was extracted from the internet publication entitled "Our Water, Our Future" of PUB at <https://www.pub.gov.sg/Documents/PUBOurWaterOurFuture.pdf>, last accessed on 2 December 2019.

⁵ The information was extracted from the internet website of the Ministry of Environment and Water Resources at <https://www.mewr.gov.sg/topic/reservoirs>, last accessed on 2 December 2019.

⁶ The information was extracted from the internet website of NEA at <https://www.nea.gov.sg/media/news/news/index/pub-and-nea-to-call-over-s5-billion-in-tenders-for-tuas-nexus>, last accessed on 2 December 2019.

⁷ The information was extracted from the internet website of PUB at <https://www.pub.gov.sg/watersupply/founationaltaps/desalinatedwater>, last accessed on 2 December 2019.

⁸ The information was extracted from an article entitled "\$26 million fund for water-intensive companies to adopt on-site water solutions" published by the Straits Times at <https://www.straitstimes.com/singapore/26-million-pub-fund-for-water-intensivecompanies-to-adopt-on-site-water-solutions>, last accessed on 2 December 2019.



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Going forward, Memiontec intends to expand and extend its businesses in its existing markets, namely: Singapore, Indonesia, and the PRC, by offering a suite of services, solutions and products including TSEPC, OMS, sales and distribution of systems and equipment and sales of water through participating in TOOT or BOOT projects. For the latter, the Group plans to form equity partnerships with partners in the development of PPP or BOOT water infrastructure projects. It has also begun offering, and will continue to offer, consultancy and front-end engineering design services.

Leveraging on its expertise and extensive experience in the industry, the Group intends to expand its business into overseas markets in Southeast Asia through business collaborations, strategic alliances, joint ventures, acquisitions or investments. It is also open to exploring business opportunities in other parts of the world as and when they arise.

It plans to invest in more TOOT and BOOT projects to generate recurring and potentially, stable income streams. The Group is also looking at innovative products that will improve the yield of water produced and reduce energy and chemical consumption by membranes to offer more cost effective and space-efficient water treatment processes to its customers. It intends to do this by working collaboratively with renowned water treatment companies and research institutes to do piloting of plants, using new and innovative water technologies, as part of the technological and economical evaluation process prior to commercialisation.

Use of Proceeds

The Group intends to use its net proceeds of approximately S\$5.8 million to invest in BOOT projects and M&A, expand the sales and distribution of its systems and equipment business and for general working capital purposes.

Financial Highlights

Over the last three (3) financial years, Memiontec's revenue grew approximately 23.4% to S\$24.46 million in FY2018 from S\$16.07 million in FY2016 due to increased revenue contributions from the TSEPC, OMS, and/ or Trading segments. As a result, profit for the year attributable to owners of the Company increased more than fourfold over the same period from S\$1.10 million in FY2016 to S\$4.59 million in FY2018.

For the six (6) months ended 30 June 2019, the Group recorded revenue of S\$14.10 million and profit for the period attributable to owners of the Company of S\$0.35 million and S\$0.79 million if one-off listing expenses are excluded.



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As at 17 December 2019, the Group has an order book of approximately S\$73.05 million⁹. These contracts will be completed by FY2021, and the Group expects to recognise revenue of S\$16.41 million, S\$39.29 million, and S\$17.35 million from these contracts in the second half of FY2019, FY2020 and FY2021, respectively.

The Group expects additional revenue of approximately IDR17.74 billion (approximately S\$1.74 million) per annum from the operation, maintenance and service of its existing BOOT project. The agreement for the BOOT project will be automatically renewed on the end of the 20th year for another five (5) years before being terminated on the 25th year.

Dividend Policy

The Group's Directors intend to recommend and distribute dividends of a minimum of 20% of profit for the year attributable to owners of the Company for FY2019, and at least 25% for FY2020.

"Memiontec has come a long way since its days as an engineering, procurement and construction ("EPC") project-focused company in the wastewater treatment industry and today, we are a one-stop total solution provider with a diversified revenue stream from various business segments across Asia. This IPO will enable us to continue expanding and extending our businesses in existing markets, as well as strengthen our possibilities of venturing into new geographical markets or even exploring merger and acquisition opportunities in the longer-term," comments Mr Tay Kiat Seng, CEO and co-founder of Memiontec.

"Water is one of the most important natural resources for the existence of life. Given the scarcity of usable water in Singapore and Indonesia, increasing environmental awareness, and the continued industrialisation and growth of both Singapore and Indonesia, I am confident in and excited about our Group's prospects in the years ahead," he adds.

⁹ Based on unfulfilled orders from signed contracts, confirmed variation orders and letters of awards obtained from 1 July 2019 to 17 December 2019.



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The information in this Press Release is based on the information found in the offer document of Memiontec Holdings Ltd. dated 21 February 2020 (the “**Offer Document**”) that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore on 21 February 2020. This Press Release does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Document, including but not limited to the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” of the Offer Document. Words and expressions, unless otherwise defined in this Press Release, shall bear the same meanings assigned to them in the Offer Document.

No representation or warranty, express or implied, is or will be made in or in relation to, and no responsibility or liability is or will be accepted by Memiontec, the Sponsor and Issue Manager, and the Placement Agent or any of their affiliates, advisers or representatives as to the fairness, accuracy, completeness or correctness of this Press Release and any liability therefore is hereby expressly disclaimed. Any prospective purchaser should make its own investigation of the securities and all information provided.

This Press Release includes forward-looking statements provided with respect to the anticipated future performance of Memiontec. Such forward-looking statements reflect various assumptions of the management concerning the future performance of Memiontec. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, there can be no assurance that such projections and forward-looking statements will be realised. The actual events, results and developments may vary from those expressed or implied by the forward-looking statements and such variation may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the forward-looking statements based thereon.
