



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Memiontec Holdings Ltd.

Stock code: SYM

Meeting details:

Date: 13 May 2020

Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. As stated in the Corporate profile (page 1 of the annual report), the group is an established one-stop water technology total solutions provider with a track record of over 20 years. The core business segments are the provision of:

- total solutions with engineering, procurement and construction (“TSEPC”) services;
- operation, maintenance and service of water and wastewater treatment plants (“OMS”);
- sales and distribution of modular and customized systems and equipment (“SDS or Trading”); and
- operation and maintenance of water treatment facilities and sales of water (“SOW”).

In the offer document dated 21 February 2019, the company stated that while the group designs, develops and builds solutions for customers, it has not and is not able to apply for any patents in respect of the designs and applications as the technology is still evolving (page 44 of the offer document).

- (i) **Would management help shareholders understand the unique selling point of the group? How does it distinguish itself from other contractors and suppliers and be able to command a superior and sustainable margin?**
- (ii) **Has the board mapped out its research and development (R&D) roadmap?**

Q2. In the Risk factors section of the offer document, it was stated that, pursuant to the Joint Venture Agreement, the company’s subsidiary, PT Memiontec Indonesia (“PTMI”) , is required to seek prior written approval from PT Jakarta Utilitas Propertindo (“PT JUP”) for the change in shareholding composition of PTMI.

The change in shareholder composition of PTMI happened in early 2019 during the Restructuring Exercise.

In particular, the company also disclosed the following in the offer document (page 41):

Although there continues to be a good working relationship between PT JUP and PTMI, there is no assurance that PT JUP will not deem PTMI’s failure to obtain its prior written consent an event of default. In the event that PT JUP pursues such default under the JV Agreement and in the event of a failure to achieve an amicable settlement or if any consequential arbitration is not favourable to us, our business, operations, financial performance and prospects may be adversely affected. Additionally, any amortization and/or write-off of our Group’s acquired or merged entities and joint ventures may have a material adverse impact on our business, operations, financial performance and prospects.

- (i) **Can the board help shareholders understand if there has been any progress made in resolving the outstanding issue of a potential event of default due to the change of shareholding composition of PTMI to safeguard the interests of shareholders?**

Q3. The group currently has a Build-Own-Operate-Transfer (BOOT) project and a Transfer-Own-Operate-Transfer (TOOT) project in Jakarta, Indonesia. The group is currently involved in the sales of treated water via the TOOT and BOOT arrangements.

- (i) **Can management help shareholders understand the typical investment amount and the payback period for a long-term BOOT/TOOT project?**

In the TOOT project with PT JUP, the sale of water is carried out by the joint operation formed with PT JUP, under the TOOT arrangement for 25 years since November 2018. In the BOOT project with PT JUP, the joint venture entity is responsible for the sale of water for a concession period of 20 plus 5 years from December 2019 where the group will account for the joint venture's results using equity method of accounting.

- (ii) **What is the impact due to the currency fluctuations of the IDR on the current projects? How does management assess the risks of fluctuation in the foreign exchange rates when evaluating future projects?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (<https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings>)