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

RESPONSE TO QUERIES FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN RESPECT OF THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The board of directors (the "**Board**" or "**Directors**") of Memiontec Holdings Ltd. ("**Memiontec**" or the "**Company**", and together with its subsidiaries, the "**Group**") refers to the queries raised by the Securities Investors Association (Singapore) ("**SIAS**") in respect of the Company's annual report for the financial year ended 31 December 2022 ("**FY2022**") ("**Annual Report 2022**"). The Company wishes to provide its responses to the queries from SIAS below:

SIAS Query 1

As highlighted in the annual report, 2022 was a significant year for the group, marked by the commencement of water sales at Pekanbaru, the award of a $56.6 million contract by the PUB, and the entry into Vietnam.

The 5-year financial highlights are shown on page 8 and reproduced below:

5-YEAR FINANCIAL HIGHLIGHTS

KEY FINANCIAL INFORMATION (S$'000)	FY2022	FY2021	FY2020	FY2019	FY2018
Group Profit or Loss:					
Revenue	42,787	45,645	34,606	29,305	24,456
Gross profit	8,633	6,327	5,119	4,535	7,192
Profit before income tax	3,506	2,066	1,687	567	5,464
Profit attributable to owners of the Company	2,551	1,533	1,308	307	4,593

(Adapted from company annual report)

(i) Changi Water Reclamation Plant Phase 2, Contract C22C: What is the current progress status of the project, and is the group on track to complete the 23-month project within the expected timeline starting from May 2022? Has the group encountered any issues related to securing skilled manpower needed for the project or other supply chain disruptions?

Company's Response

The works for the Changi Water Reclamation Plant Phase 2, Contract C22C project, are progressing generally in line with expectations.

(ii) Long term contracts: *The group enters into long-term concessionary contracts, ranging from 25 to 30 years, for its Build-Own-Operate-Transfer (BOOT) and Transfer-Own-Operate-Transfer (TOOT) projects. These contracts may also involve the sale of water under such projects.* ***With the high inflation rate, how does this impact the group's finance income from service concession arrangements? How do high interest rates affect the group's ability to grow in these areas, given that the hurdle for project evaluation and selection has substantially increased?***

Company's Response

The impact of high inflation rate on the Group's finance income from such BOOT/TOOT projects is minimal as the Group currently has only 2 BOOT and 1 TOOT projects which, in aggregate, contribute to less than 5% of the Group's net profits.

With the higher interest rate, the Group will be more selective in assessing and evaluating potential BOOT/TOOT projects.

(iii) Vietnam: Can management provide more details on the company's market entry strategy for Vietnam? Specifically, will the company be entering the new market independently and learning on the job, or has the board identified strategic partners in Vietnam to assist with the market entry?

Company's Response

The Company intends to take a careful and prudent approach. In this regard, the Company is planning to venture into this new market through partnering or joint ventures with established and reputable companies who have the relevant experience and network.

The Company is presently undertaking an exploratory study of the Vietnamese market and its key players. We have yet to identify any strategic partners.

SIAS Query 2

At the annual general meeting (AGM) scheduled to be held on 28 April 2023, the company is proposing to change the auditors from CLA Global TS Public Accounting Corporation to PKF-CAP LLP

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In the appendix to the notice of AGM, it was stated that the proposed change will allow the company to reduce its overall business costs. The appendix can be found here:
https://links.sgx.com/FileOpen/1.2%20Appendix%20to%20the%20Notice%20of%20AGM%202023.ashx?App=Announcement&FileID=754437

It is noted that proposed change will result in cost savings of approximately 16.67% (approximately S$20,000) in audit fees for FY2023 with no change in the scope of the audit to be undertaken by PKF.

(i) Can the audit committee (AC) reveal the numbers of audit firms it requested proposals from?

Company's Response

The Company invited proposals from 5 different audit firms.

(ii) How many proposals were received by the company and what were their identities/profiles?

Company's Response

The Company received proposals from 3 of the 5 audit firms. The Company then submitted its assessment of the 3 proposals to the AC for review and consideration.

(iii) How did the incoming and outgoing auditors compare on the Audit Quality Indicators Disclosure Framework issued by ACRA?

Company's Response

The incoming and outgoing auditors have separately provided the Company with their respective Audit Quality Indicators ("**AQI**") up to September 2022 for the Company and AC's consideration.

After comparison of the AQIs and further having considered that PKF and its audit engagement partner are registered with ACRA, the Board and the AC believe that the incoming auditors have sufficient expertise and manpower to undertake the audit of the Group, without compromising the standard and effectiveness.

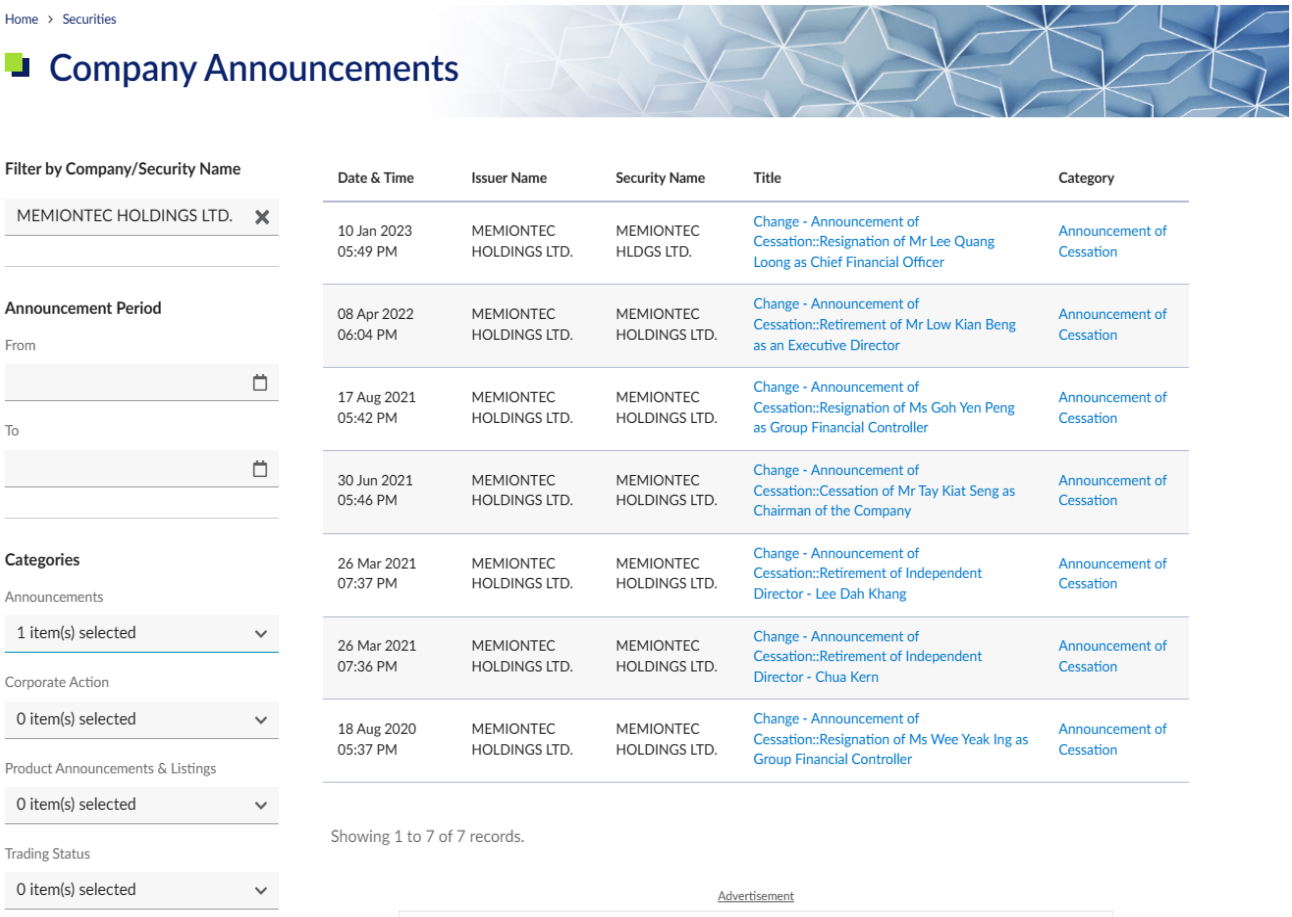
(iv) How did the audit committee assess that the proposed auditors have the necessary experience and network to audit the group's significant overseas operations in Indonesia (and possibly Vietnam)?

Company's Response

PKF, the incoming auditors, has an affiliated network firm in Indonesia — PKF Hadiwinata. PKF Hadiwinata is a member of PKF International's global family of legally independent firms, and is one of the top 10 accounting and professional services firms in Indonesia. PKF Hadiwinata deals with a wide range of clients, including multinational companies and state-owned enterprises. In addition, PKF also has an affiliated network firm in Vietnam – PKF Vietnam. As such, the Board and the AC assessed that the incoming auditors have the necessary experience and network for the audit of the Group's significant overseas operations in Indonesia and possibly Vietnam.

SIAS Query 3

The company has had several cessations of directors and executives, particularly the financial controller/chief financial offer since it was listed three years ago on 5 March 2020.



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10 Jan 2023 05:49 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HLDGS LTD.	Change - Announcement of Cessation::Resignation of Mr Lee Quang Loong as Chief Financial Officer	Announcement of Cessation
08 Apr 2022 06:04 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HOLDINGS LTD.	Change - Announcement of Cessation::Retirement of Mr Low Kian Beng as an Executive Director	Announcement of Cessation
17 Aug 2021 05:42 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HOLDINGS LTD.	Change - Announcement of Cessation::Resignation of Ms Goh Yen Peng as Group Financial Controller	Announcement of Cessation
30 Jun 2021 05:46 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HOLDINGS LTD.	Change - Announcement of Cessation::Cessation of Mr Tay Kiat Seng as Chairman of the Company	Announcement of Cessation
26 Mar 2021 07:37 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HOLDINGS LTD.	Change - Announcement of Cessation::Retirement of Independent Director - Lee Dah Khang	Announcement of Cessation
26 Mar 2021 07:36 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HOLDINGS LTD.	Change - Announcement of Cessation::Retirement of Independent Director - Chua Kern	Announcement of Cessation
18 Aug 2020 05:37 PM	MEMIONTEC HOLDINGS LTD.	MEMIONTEC HOLDINGS LTD.	Change - Announcement of Cessation::Resignation of Ms Wee Yeak Ing as Group Financial Controller	Announcement of Cessation

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(Source: www.sgx.com)

The financial executives have all stated their intentions "to pursue other interest/other career opportunities".

(i) Can the nominating committee (NC) help shareholders better understand its role in assisting the company with the selection and screening process for key management personnel, specifically in the case of the CFO/financial controller?

Company's Response

The Nominating Committee of the Company ("**NC**") is engaged in the selection and screening process by conducting interview meetings with the key management personnel of the Company (including the chief financial officer or its equivalent position) in the past and will continue do so going forward.

(ii) Considering that the three executives stayed on the job for only two years, would the NC and AC review the circumstances leading to their resignations and look into the reasons?

Company's Response

Exit interviews were conducted with the outgoing personnel, so as to understand any specific concerns they may have with the Management and the Board during their tenure of service. Generally, no significant matters that are of concerns were raised during such exit interviews and to the best of the Company's knowledge, there were no matters in relation to the respective cessations that needed to be brought to the attention of shareholders of the Company.

BY ORDER OF THE BOARD

Tay Kiat Seng
Executive Director and Chief Executive Officer

27 April 2023

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

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