

**5E Resources Limited**

PLO 738, Jalan Platinum Utama, Zon 12B, Pasir Gudang Industrial Area,  
81700 Pasir Gudang, Johor Darul Takzim, Malaysia  
(Company Registration Number: 202136285K)

**FOR IMMEDIATE RELEASE**

## **5E Resources, one of Malaysia’s leading scheduled waste management services providers, launches IPO on Catalist**

- *Offers 38.5 million Invitation Shares at S\$0.26 each, with 2.0 million shares for public offer and 36.5 million shares for placement*
- *Net proceeds of approximately S\$8.0 million to fund its expansion plans as well as capital investments*
- *Intends to recommend and distribute dividends of not less than 25% of net profit after tax for the financial years ending 31 December 2022, 2023 and 2024*

**SINGAPORE, 29 April 2022 – 5E Resources Limited (綠科資源有限公司) (“5E Resources” or the “Company”, and together with its subsidiaries, the “Group”), Malaysia’s fifth largest<sup>1</sup> scheduled waste<sup>2</sup> management services provider, today launched its initial public offering (the “IPO” or the “Invitation”) on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).**

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

### **The Invitation**

The Invitation is in respect of 38.5 million new shares (the “**Invitation Shares**”) at S\$0.26 per share (the “**Invitation Price**”) comprising 2.0 million Offer Shares by way of public offer and 36.5 million Placement Shares by way of placement. The Invitation will raise gross proceeds of approximately S\$10.0 million for 5E Resources.

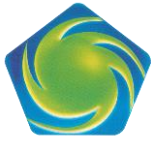
The Invitation Shares represent approximately 26.1% of the enlarged share capital of approximately 147.5 million shares of 5E Resources and based on the Invitation Price, the post-Invitation market capitalisation for the Group will be approximately S\$38.3 million.

The Invitation will close at 12.00 noon on 10 May 2022 and the listing and trading of 5E Resources’ shares is expected to commence on a “ready” basis at 9.00 am on 12 May 2022.

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<sup>1</sup> *In terms of revenue of scheduled waste management and related services in 2020, according to the Industry Report.*

<sup>2</sup> *Defined as any waste falling within the categories of waste listed in the First Schedule to the Environmental Quality (Scheduled Wastes) Regulations 2005 of Malaysia that possess hazardous characteristics and have the potential to adversely affect the public health and environment.*



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**Business Overview**

With a history dating back to 1997, 5E Resources is a leading provider of **scheduled waste management services** in Malaysia. Based in Johor, the Group aims to relieve its customers of their environmental impact liabilities by providing them with tailored solutions, striving to maximise recovery of resources and minimise waste disposal. It has three waste treatment plants in Johor and an established and diverse base of more than 500 customers from eight out of 13 states and two federal territories in Peninsular Malaysia.

In an industry with over 100 market players, 5E Resources is the fifth largest and one out of only four among the top 10 players to possess more than 30 out of 77 Waste Codes under the First Schedule to the Environmental Quality (Scheduled Wastes) Regulations.<sup>1</sup> This allows the Group to collect, transport, and treat scheduled waste based on the Waste Codes it possesses. The provision of scheduled waste services had accounted for more than 80% of the Group's annual revenue for the financial years ended 31 December 2018, 2019 and 2020.

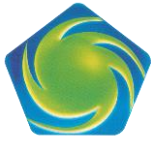
5E Resources has two other complementary business segments, namely the **sale of recovered and recycled products**, which involves the sale of products and by-products generated from provision of scheduled waste treatment services including recycled chemicals, recycled drum/tank, recycled oil, recycled alkaline, recovered precious metals and other recycled products; and **chemical trading**, operated via its indirect wholly-owned subsidiary, TS Heuls Chemical & Engineering Sdn. Bhd., which possesses the license to import, store and sell by wholesale certain types of chemicals such as sulphuric acid, caustic soda and hydrochloric acid that can be used for waste treatment and in the manufacturing industry in Southern Peninsular Malaysia.

Over the years, the Group has built an established track record with strong customer relationships across various industries including electronics, petrochemical, semi-conductor and palm-oil refineries industries all over Peninsular Malaysia. It also enjoys longstanding relationships and good communication with local regulatory authorities and agencies.

The Group employs more than 130 employees and is helmed by a management team who each have more than 20 years of experience in the industry.

**Executive Director and Chief Executive Officer, Mr Lim Te Hua (林德华)**, said: *"5E Resources operates in an industry that has grown in importance over the years as governments and companies seek to manage their environmental impact liabilities. Through ongoing investment and improvements to processing technology and R&D endeavours, our Group is able to enhance our price competitiveness and our service offerings to meet increasingly stringent regulatory requirements and the constantly evolving needs of our customers.*

*"Our proven track record, good compliance record and market position increases our ability to attract and retain customers. It also opens up opportunities for us to be invited to participate in significant*



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*and urgent ad-hoc projects such as the Kim Kim River pollution project<sup>3</sup> in March 2019 and the Johor Port marine accident project<sup>4</sup> in November 2018, both of which had contributed significantly to our revenue for the financial year ended 31 December 2019.”*

**Business Strategies and Future Plans**

5E Resources plans to use the net proceeds of approximately S\$8.0 million raised in the IPO to further strengthen its market position and expand its business operations.

The Group will expand its geographical coverage beyond its established base in Johor, Southern Peninsular Malaysia, to Central Peninsular Malaysia (“CPM”) by potentially acquiring a parcel of land on which an off-site storage plant is situated. At the same time, it intends to relocate sales and marketing personnel to CPM to have closer liaison with customers there and to improve response time, cost efficiency and capture more market opportunities. This is expected to broaden the Group’s customer base to include the under-served market of small quantity waste generators in CPM.

To cater to the growing demand for such services in Malaysia especially from continuously developing industries that require large amounts of organic raw materials, the Group intends to expand its processing capacity for the treatment of high organic content waste by investing in a new rotary system. It will also invest in facilities to reduce its operating costs by processing waste residue into alternative products that can be disposed of at a lower cost or processed into products that can be used by the cement industry.

The Group may collaborate with suitable partners through acquisitions, joint ventures and strategic alliances to access new markets and customers as well as new complementary businesses and potentially bring about greater economies of scale and boost its future growth.

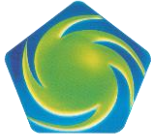
**Mr Lim** said: *“Economic development and population expansion in Malaysia is expected to increase waste generation. Continuous growth and development of the country’s manufacturing sector as well as its chemical, pharmaceutical, rubber, printing and textile industries, are all contributing to growing demand for scheduled waste management services as the volume of waste generated is expected to increase<sup>5</sup>. With that in mind, we believe that this is the right time for 5E Resources to embark on its next phase of growth to capitalise on these opportunities.”*

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<sup>3</sup> Engaged to collect and treat marine oil and petrochemical residue and contaminated water from the Kim Kim River in Pasir Gudang, Johor, following an air and water pollution incident which was reported to be caused by illegal dumping of toxic chemical waste in March 2019. Contributed revenue of approximately MYR5.9 million in FY2019.

<sup>4</sup> Engaged to collect and treat wastewater and oil-water mixture oil which was reported to be caused by a marine accident in Johor, Malaysia, in November 2018. Contributed revenue of approximately MYR6.1 million in FY2019.

<sup>5</sup> According to the Independent industry report prepared by the Industry Consultant.



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**Financial Highlights**

5E Resources recorded a total revenue of MYR44.0 million and net profit after tax (“**NPAT**”) of MYR8.0 million for the year ended 31 December 2020 (“**FY2020**”) as compared to total revenue of MYR53.8 million and NPAT of MYR12.1 million in the previous year (“**FY2019**”).

The decline was mainly due to the overall disruption in business activities caused by the outbreak of the COVID-19 pandemic and the lower revenue from ad-hoc projects which had contributed approximately MYR12.0 million in revenue for FY2019. This was partially offset by a decrease in direct labour cost, repair and maintenance cost, sludge disposal cost, fuel oil and petrol consumed for the provision of scheduled waste management services in FY2020.

For the nine-month period ending 30 September 2021, the Group’s total revenue increased across all three business segments by 25.5% year-on-year to MYR37.4 million as demand for regular scheduled waste management services increased and COVID-19 restrictions continued to ease in Malaysia.

**Proposed Dividends**

The Group currently does not have a fixed dividend policy. However, it intends to recommend and distribute dividends of not less than 25% of its NPAT for the financial years ending 31 December 2022, 2023 and 2024.

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**Issued for and on behalf of 5E Resources Limited**

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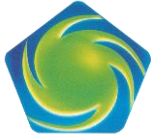
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The information in this Press Release is based on the information found in the offer document of 5E Resources Limited (the “**Company**”) dated 28 April 2022 (the “**Offer Document**”) that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “**MAS**”) on 29 April 2022. This Press



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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 the Company, the Issue Manager and Full Sponsor, and Underwriter and 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 has not been examined or reviewed by the MAS or the SGX-ST.

This Press Release includes forward-looking statements provided with respect to the anticipated future performance of the Company. Such forward-looking statements reflect various assumptions of the management concerning the future performance of the Company. 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, performance and developments may differ materially from those in such statements as a result of, among others, factors, changing business or other market conditions and the prospects for growth anticipated by the management of the Company. The Company does not undertake any obligation to release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the forward-looking statements based thereon. Past performance is not a reliable indication of future performance.

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