



MOYA HOLDINGS ASIA LIMITED

Registration number: 201301085G

**Unaudited Financial Statements and Dividend Announcement
For The Third Quarter and Nine-Month Financial Period Ended 30 September 2017**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

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.

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PART I – INFORMATION REQUIRED FOR RESULTS ANNOUNCEMENT OF THIRD QUARTER (“3Q”) AND NINE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

1(a) A statement of profit or loss and other comprehensive income for the group, together with a comparative statement for the corresponding period of immediately preceding financial year

1(a)(i) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group					
	Unaudited 3 months ended 30.09.2017	Unaudited 3 months ended 30.09.2016	Change + / (-)	Unaudited 9 months ended 30.09.2017	Unaudited 9 months ended 30.09.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	45,833	4,851	845	74,261	11,834	528
Cost of sales	(26,809)	(4,227)	534	(48,124)	(10,278)	368
Gross profit	19,024	624	N.M	26,137	1,556	N.M
Other items of income:						
Interest income	3,520	2,981	18	9,226	4,800	92
Other gains	1,975	163	N.M	1,975	171	N.M
Other items of expenses:						
Administrative expenses	(8,091)	(716)	N.M	(12,732)	(2,181)	484
Finance cost	(6,910)	(42)	N.M	(8,707)	(343)	N.M
Other expenses	(1,004)	(105)	856	(1,949)	(349)	458
Non-recurring expenses:						
-Acquisition-related expenses	(544)	-	N.M	(1,741)	-	N.M
Other losses	(211)	(442)	(52)	(465)	(1,360)	66
Profit before tax	7,759	2,463	215	11,744	2,294	412
Income tax expense	(2,219)	(96)	N.M	(3,713)	(219)	N.M
Profit, net of tax	5,540	2,367	134	8,031	2,075	287
Other comprehensive (loss) / income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(5,386)	868	N.M	(7,746)	110	N.M
Other comprehensive (loss) / income for the financial period, net of tax	(5,386)	868	N.M	(7,746)	110	N.M
Total comprehensive income for the financial period	154	3,235	(95)	285	2,185	(87)

N.M – not meaningful

1(a) A statement of profit or loss and other comprehensive income for the group, together with a comparative statement for the corresponding period of immediately preceding financial year

1(a)(i) Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

	Group					
	Unaudited 3 months ended 30.09.2017	Unaudited 3 months ended 30.09.2016	Change + / (-)	Unaudited 9 months ended 30.09.2017	Unaudited 9 months ended 30.09.2016	Change + / (-)
	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	%
Profit attributable to:						
Owners of the Parent	5,483	2,313	137	7,970	1,984	302
Non-controlling interests	57	54	6	61	91	(33)
Profit net of tax	5,540	2,367	134	8,031	2,075	287
Total comprehensive income attributable to:						
Owners of the Parent	103	3,176	(97)	268	2,089	(87)
Non-controlling interests	51	59	(14)	17	96	(82)
Total comprehensive income	154	3,235	(95)	285	2,185	(87)

1(a)(ii) Notes to Consolidated Statement of Profit or Loss

Profit before income tax is arrived at after crediting / (charging) the following:

	Group					
	Unaudited 3 months ended 30.09.2017	Unaudited 3 months ended 30.09.2016	Change + / (-)	Unaudited 9 months ended 30.09.2017	Unaudited 9 months ended 30.09.2016	Change + / (-)
	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	%
Sale of water and related services ⁽¹⁾	36,591	1,530	N.M	49,919	3,739	N.M
Service concession construction revenue ⁽¹⁾	9,242	3,321	178	24,342	8,095	201
Interest income from financial assets arising from service concession arrangements ⁽²⁾	2,370	2,821	(16)	7,256	4,202	73
Depreciation of plant and equipment	(879)	(49)	N.M	(1,125)	(124)	807
Amortisation of intangible assets ⁽³⁾	(4,727)	-	N.M	(5,952)	-	N.M
Interest on borrowings	(6,910)	(42)	N.M	(8,707)	(343)	N.M
Net foreign exchange adjustment gains / (losses) ⁽⁴⁾	2,229	(442)	N.M	1,975	(1,360)	N.M

N.M – not meaningful

Notes:

- (1) Classified as revenue in the consolidated statement of profit or loss and other comprehensive income.
- (2) For accounting purposes, when the Group (as operator) receives payment during the period of the service concession arrangement, it will apportion such payment between a repayment of the financial asset arising from the construction activities of the service concession arrangement, reducing the carrying amount of the financial assets on its statement of financial position, and revenue from operating and maintaining the water treatment plant in its statement of profit or loss. Interest income on financial assets will also be recognized arising from the service concession arrangement.
- (3) Classified as cost of sales in the consolidated statement of profit or loss and other comprehensive income, and it relates to the amortisation of intangible assets arising from service concession arrangements under the Acuatico Group.
- (4) Classified as other gains / (losses) in the consolidated statement of profit or loss and other comprehensive income.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	Unaudited 30.09.2017	Audited 31.12.2016	Unaudited 30.09.2017	Audited 31.12.2016
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Assets				
Non-current assets				
Plant and equipment	24,940	1,176	2	3
Investments in subsidiaries	-	-	114,385	91,751
Financial assets arising from service concession arrangements	83,238	62,056	-	-
Intangible assets	139,966	-	-	-
Goodwill ⁽¹⁾	166,842	-	-	-
Deferred tax assets	4,895	-	-	-
Other assets	17	-	-	-
Total non-current assets	419,898	63,232	114,387	91,754
Current assets				
Inventories	4,928	1	-	-
Trade and other receivables	43,526	5,974	103	95
Cash and cash equivalents	102,814	63,071	773	24,337
Total current assets	151,268	69,046	876	24,432
Total assets	571,166	132,278	115,263	116,186
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	120,595	120,595	120,595	120,595
Capital reserve ⁽²⁾	5,826	5,826	-	-
Share option reserve	591	591	591	591
Foreign currency translation reserve	(11,106)	(3,404)	-	-
Retained earnings / (Accumulated losses)	6,912	(1,058)	(6,208)	(5,275)
Equity, attributable to owners of the parent	122,818	122,550	114,978	115,911
Non-controlling interests	454	437	-	-
Total equity	123,272	122,987	114,978	115,911
Non-current liabilities				
Provisions	16,341	899	-	-
Provision arising from service concession arrangement	8,338	-	-	-
Other financial liabilities	394,820	3,924	-	-
Deferred tax liabilities	3,540	2,243	-	-
Total non-current liabilities	423,039	7,066	-	-
Current liabilities				
Other financial liabilities	709	688	-	-
Provision arising from service concession arrangement	2,402	-	-	-
Trade and other payables	21,744	1,537	285	275
Total current liabilities	24,855	2,225	285	275
Total liabilities	447,894	9,291	285	275
Total equity and liabilities	571,166	132,278	115,263	116,186

Notes:

- (1) The identifiable assets and liabilities of the Acuatico Group as at acquisition date has been stated based on their net book values which management deems such values to approximate the fair values at this stage. The fair values are provisional as the hindsight period allowed by FRS 103 Business Combinations has not yet expired. Any excess of the cost of the business combination over the fair value of the net identifiable assets of the company will be recognised as goodwill.
- (2) Capital reserve comprised merger reserve which arose as a result of the difference between the consideration for the acquisition by the Company of Moya Asia Limited ("MAL") pursuant to the restructuring exercise completed in 2013, the scheme of arrangement and the issued share capital of MAL. Such merger reserve is a non-distributable reserve.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

As at 30 September 2017 (S\$'000)		As at 31 December 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
709	-	688	-

Amount repayable after one year

As at 30 September 2017 (S\$'000)		As at 31 December 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
394,820	-	3,924	-

Details of any collateral

Collateral for the working capital and/or term loans as at 30 September 2017:

- Fiduciary of accounts receivables of certain subsidiaries of the Company
- Pledge over certain subsidiaries' ordinary shares and debt service reserve accounts
- Corporate guarantee from the Company and a subsidiary of the Company
- Top Up Cash Flow Guarantee from a subsidiary of the Company
- To maintain 3 months interest and one quarter of principal instalment in the debt service reserve account

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(S\$'000)	Unaudited 3 months ended 30.09.2017	Unaudited 3 months ended 30.09.2016	Unaudited 9 months ended 30.09.2017	Unaudited 9 months ended 30.09.2016
Cash flows from operating activities				
Profit before tax	7,759	2,463	11,744	2,294
<u>Adjustments for:</u>				
Depreciation and amortisation	5,606	49	7,077	124
Provisions	2,115	-	3,039	-
Financial assets arising from service concession arrangements	(5,477)	-	(20,089)	-
Unrealised foreign exchange gains	(3,448)	-	(2,643)	-
Provision arising from service concession	(124)	-	44	-
Interest income	(3,520)	(2,981)	(9,226)	(4,800)
Finance cost	6,910	42	8,707	343
Operating cash flows before changes in working capital	9,821	(427)	(1,347)	(2,039)
<u>Changes in working capital:</u>				
Financial assets arising from service concession arrangements	503	(3,186)	1,691	(7,366)
Construction cost – intangible asset	(2,526)	-	(3,077)	-
Inventories	(177)	(106)	(444)	(106)
Trade and other receivables	1,832	(953)	1,539	(1,370)
Trade and other payables	481	(42)	1,726	525
Net cash flows from operations	9,934	(4,714)	88	(10,356)
Income taxes paid	(813)	(213)	(1,560)	(237)
Net cash flows from / (used in) operating activities	9,121	(4,927)	(1,472)	(10,593)
Cash flows from investing activities				
Interest received	767	160	1,212	598
Purchase of plant and equipment	(972)	(429)	(1,304)	(637)
Acquisition of subsidiaries (net of cash acquired)	-	-	(95,520)	-
Net cash flows used in investing activities	(205)	(269)	(95,612)	(39)
Cash flows from financing activities				
Interest paid	(5,593)	(42)	(7,390)	(343)
Repayment of loan	(145)	-	(506)	(4,512)
Proceeds from loan	-	4,576	144,566	4,576
Movement in restricted cash	3,007	-	3,007	-
Issue of shares (net)	-	-	-	50,132
Net cash flows (used in) / from financing activities	(2,731)	4,534	139,677	49,853
Net increase / (decrease) in cash and cash equivalents	6,185	(662)	42,593	39,221
Cash and cash equivalents, statement of cash flows, beginning balance	98,397	66,905	63,071	28,030
Net effects of exchange rate changes	(1,768)	987	(2,850)	(21)
Cash and cash equivalents, statement of cash flows, closing balance	102,814	67,230	102,814	67,230

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Capital reserve ⁽¹⁾	Share option reserve	Foreign currency translation reserve	(Accumulated losses)/ Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
At 1 July 2016	120,595	5,826	668	(7,912)	(4,420)	114,757	383	115,140
Profit for the financial period	-	-	-	-	2,313	2,313	54	2,367
Other comprehensive income								
Foreign currency translation differences of foreign operations	-	-	-	863	-	863	5	868
Total comprehensive income for the financial period	-	-	-	863	2,313	3,176	59	3,235
At 30 September 2016	120,595	5,826	668	(7,049)	(2,107)	117,933	442	118,375
At 1 July 2017	120,595	5,826	591	(5,726)	1,429	122,715	403	123,118
Profit for the financial period	-	-	-	-	5,483	5,483	57	5,540
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(5,380)	-	(5,380)	(6)	(5,386)
Total comprehensive (loss) / income for the financial period	-	-	-	(5,380)	5,483	103	51	154
At 30 September 2017	120,595	5,826	591	(11,106)	6,912	122,818	454	123,272

Note:

(1) Capital reserve comprised merger reserve which arose as a result of the difference between the consideration for the acquisition by the Company of MAL pursuant to the restructuring exercise completed in 2013, the scheme of arrangement and the issued share capital of MAL. Such merger reserve is a non-distributable reserve.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Capital reserve ⁽¹⁾	Share option reserve	Foreign currency translation reserve	(Accumulated losses)/ Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
At 1 January 2016	70,463	5,826	668	(7,154)	(4,091)	65,712	346	66,058
Profit for the financial period	-	-	-	-	1,984	1,984	91	2,075
Other comprehensive income								
Foreign currency translation differences of foreign operations	-	-	-	105	-	105	5	110
Total comprehensive income for the financial period	-	-	-	105	1,984	2,089	96	2,185
Issue of share capital, net of expenses	50,132	-	-	-	-	50,132	-	50,132
Transactions with owners of parent, recognised directly in equity	50,132	-	-	-	-	50,132	-	50,132
At 30 September 2016	120,595	5,826	668	(7,049)	(2,107)	117,933	442	118,375
At 1 January 2017	120,595	5,826	591	(3,404)	(1,058)	122,550	437	122,987
Profit for the financial period	-	-	-	-	7,970	7,970	61	8,031
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(7,702)	-	(7,702)	(44)	(7,746)
Total comprehensive (loss) / income for the financial period	-	-	-	(7,702)	7,970	268	17	285
At 30 September 2017	120,595	5,826	591	(11,106)	6,912	122,818	454	123,272

Note:

(1) Capital reserve comprised merger reserve which arose as a result of the difference between the consideration for the acquisition by the Company of MAL pursuant to the restructuring exercise completed in 2013, the scheme of arrangement and the issued share capital of MAL. Such merger reserve is a non-distributable reserve due to its capital nature.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

Company	Share capital (S\$'000)	Share option reserve (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
At 1 July 2016	120,595	668	(4,885)	116,378
Total comprehensive loss for the financial period	-	-	(241)	(241)
At 30 September 2016	120,595	668	(5,126)	116,137
At 1 July 2017	120,595	591	(5,874)	115,312
Total comprehensive loss for the financial period	-	-	(334)	(334)
At 30 September 2017	120,595	591	(6,208)	114,978

Company	Share capital (S\$'000)	Share option reserve (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
At 1 January 2016	70,463	668	(4,381)	66,750
Total comprehensive loss for the financial period	-	-	(745)	(745)
Issue of shares, net of expenses	50,132	-	-	50,132
Transactions with owners of the parent, recognised directly in equity	50,132	-	-	50,132
At 30 September 2016	120,595	668	(5,126)	116,137
At 1 January 2017	120,595	591	(5,275)	115,911
Total comprehensive loss for the financial period	-	-	(933)	(933)
At 30 September 2017	120,595	591	(6,208)	114,978

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Issued and paid-up share capital	Number of shares	Share capital (S\$'000)
As at 1 July 2017 and 30 September 2017	2,800,923,962	120,595

There were no changes in the Company's share capital since the last reported financial period.

As at 30 September 2017, the number of outstanding share options under the Employee Share Option Scheme ("ESOS") was 10,400,000 (as at 30 September 2016: 10,400,000).

Save as disclosed above, there were no other outstanding convertibles, treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

The total number of issued shares (excluding treasury shares) as at 30 September 2017 was 2,800,923,962 (as at 31 December 2016: 2,800,923,962).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company does not have any treasury shares during and as at the end of the financial period ended 30 September 2017.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the financial period ended 30 September 2017.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed

The figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2016.

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the applicable new and revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of Financial Reporting Standards ("**INT FRS**") which became effective for the accounting period beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in material adjustments to the financial position, results of operations or cash flows of the Group for the current financial period report on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share based on - net profit attributable to owners of the parent (numerator), and - weighted average number of ordinary shares in issue (denominator)	3 months ended 30.09.2017 (cents)	3 months ended 30.09.2016 (cents)	9 months ended 30.09.2017 (cents)	9 months ended 30.09.2016 (cents)
(i) On a basic basis; and	0.20	0.08	0.28	0.07
(ii) On a fully diluted basis	0.20	0.08	0.28	0.07
Weighted average number of ordinary shares in issue:				
- for the purpose of basic earnings per ordinary share	2,800,923,962	2,800,923,962	2,800,923,962	2,661,001,906
- for the purpose of diluted earnings per ordinary share	2,811,323,962 ⁽²⁾	2,800,923,962 ⁽¹⁾	2,811,323,962 ⁽²⁾	2,661,001,906 ⁽¹⁾

Notes:

- (1) Share options granted under the ESOS (see note 1(d)(ii)) were excluded from the diluted weighted average number of ordinary shares calculation as its effect would have been anti-dilutive.
- (2) Share options granted under the ESOS (see note 1(d)(ii)) were included in the diluted weighted average number of ordinary shares calculation as its effect would have been dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Net asset value per ordinary share based on issued share capital ⁽¹⁾ (cents)	4.38	4.38	4.11	4.14

Note:

- (1) Based on an issued share capital of 2,800,923,962 ordinary shares as at 30 September 2017 (31 December 2016: 2,800,923,962 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Following the completion of the acquisition by the Group of the entire issued and paid-up ordinary shares in the capital of Acuatico Pte. Ltd. (the "**Acuatico Acquisition**") on 8 June 2017 (the "**Completion Date**"), Acuatico Pte. Ltd. and its subsidiaries (namely, PT Aetra Air Jakarta, PT Aetra Air Tangerang and PT Acuatico Air Indonesia) (the "**Acuatico Group**") are treated as subsidiaries of the Company. With effect from the Completion Date, the Group has consolidated the profit or loss and financial position of the Acuatico Group into the Group's financial statements.

8.1 Statement of Profit or Loss and Other Comprehensive Income (9M2017 vs 9M2016)

8.1 (a) Revenue

The Group's revenue increased by S\$62.43 million, from S\$11.83 million for the nine-month financial period ended 30 September 2016 ("**9M2016**") to S\$74.26 million for the nine-month financial period ended 30 September 2017 ("**9M2017**"). The increase was attributable to (i) water sales of S\$44.49 million contributed by the Acuatico Group, and (ii) higher percentage of completion achieved for the construction revenue of the build-operate-transfer ("**BOT**") projects in Indonesia.

8.1 (b) Gross Profit

The Group's gross profit increased by S\$24.58 million, from S\$1.56 million in 9M2016 to S\$26.14 million in 9M2017. The increase was mainly attributable to the inclusion of water sales from the Acuatico Group.

Gross profit margin increased from 13.15% in 9M2016 to 35.20% in 9M2017. The increase was mainly due to water sales contributed by the Acuatico Group.

8.1 (c) Interest Income

Interest income increased by S\$4.43 million, from S\$4.80 million in 9M2016 to S\$9.23 million in 9M2017, mainly due to the recognition of higher interest income on the financial assets arising from service concession arrangement in 9M2017 as compared to 9M2016, and interest income from time deposit from the Acuatico Group.

8.1 (d) Other Gains

Other gains increased by S\$1.81 million, from S\$0.17 million in 9M2016 to S\$1.98 million in 9M2017, mainly due to higher unrealised forex exchange gain arising from the appreciation of Singapore Dollars (“SGD”) against the United States Dollars (“USD”) and Indonesia Rupiah (“IDR”).

8.1 (e) Administrative Expenses

Administrative expenses increased by S\$10.55 million, from S\$2.18 million in 9M2016 to S\$12.73 million in 9M2017. The increase was mainly due to the inclusion of the Acuatico Group’s administrative expenses of S\$8.85 million, including office expenses and customer related service expenses.

8.1 (f) Finance Cost

Finance cost increased by S\$8.37 million, from S\$0.34 million in 9M2016 to S\$8.71 million in 9M2017, mainly due to higher interest expenses of the new bank loan obtained by the Group in connection with the Acuatico Acquisition.

8.1 (g) Other Expenses

Other expenses increased by S\$1.60 million, from S\$0.35 million in 9M2016 to S\$1.95 million in 9M2017, mainly due to the inclusion of the Acuatico Group’s other expenses.

8.1 (h) Acquisition-related Expenses

The Group incurred S\$1.74 million of acquisition-related expenses (comprising mainly professional fees) in 9M2017 in connection with the Acuatico Acquisition.

8.1 (i) Other Losses

The Group recorded other losses of S\$0.47 million in 9M2017 mainly attributable to the inclusion of the Acuatico Group’s loss in disposal of fixed assets and provision for accounts receivables, as compared to other losses of S\$1.36 million in 9M2016, which was mainly due to higher net forex exchange losses.

8.1 (j) Income Tax Expense

Income tax expense increased by S\$3.49 million, from S\$0.22 million in 9M2016 to S\$3.71 million in 9M2017, mainly attributable to the inclusion of the Acuatico Group’s tax expense, and higher deferred tax provided for the financial income on the financial assets in 9M2017 as compared to 9M2016.

8.1 (k) Exchange Differences on Translating Foreign Operations, Net of Tax

The Group experienced currency translation differences from the consolidation of its foreign operations as the reporting currency of the Group’s consolidated financials is in SGD.

The Group recognized S\$7.75 million currency translation loss in 9M2017 as IDR depreciated further against the SGD during 9M2017.

8.2 Statement of Profit or Loss and Other Comprehensive Income (3Q2017 vs 3Q2016)

8.2 (a) Revenue

The Group’s revenue increased by S\$40.98 million, from S\$4.85 million for the three-month financial period ended 30 September 2016 (“3Q2016”) to S\$45.83 million for the three-month financial period ended 30 September 2017 (“3Q2017”). The increase was mainly attributable to (i) water sales of S\$34.17 million contributed by the Acuatico Group; and (ii) higher percentage of completion achieved for the construction revenue of the BOT projects in Indonesia.

8.2 (b) Gross Profit

The Group's gross profit increased by S\$18.40 million, from S\$0.62 million in 3Q2016 to S\$19.02 million in 3Q2017. The increase was mainly attributable to the inclusion of the water sales from the Acuatico Group.

Gross profit margin increased from 12.86% in 3Q2016 to 41.51% in 3Q2017. The increase was mainly due to water sales contributed by the Acuatico Group.

8.2 (c) Interest Income

Interest income increased by S\$0.54 million, from S\$2.98 million in 3Q2016 to S\$3.52 million in 3Q2017, due to the inclusion of the Acuatico Group's interest income from time deposit.

8.2 (d) Other Gains

Other gains increased by S\$1.82 million, from S\$0.16 million in 9M2016 to S\$1.98 million in 9M2017, mainly due to higher unrealised forex exchange gain arising from the appreciation of SGD against USD and IDR.

8.2 (e) Administrative Expenses

Administrative expenses increased by S\$7.37 million, from S\$0.72 million in 3Q2016 to S\$8.09 million in 3Q2017. The increase was mainly due to the inclusion of the Acuatico Group's administrative expenses, including office expenses and customer related service expenses.

8.2 (f) Finance Cost

Finance cost increased by S\$6.87 million, from S\$0.04 million in 3Q2016 to S\$6.91 million in 3Q2017, mainly due to higher interest expenses of the new bank loan obtained by the Group in connection with the Acuatico Acquisition.

8.2 (g) Other Expenses

Other expenses increased by S\$0.89 million, from S\$0.11 million in 3Q2016 to S\$1.00 million in 3Q2017, mainly due to the inclusion of the Acuatico Group's other expenses.

8.2 (h) Acquisition-related Expenses

The Group incurred S\$0.54 million of acquisition-related expenses (comprising mainly professional fees) in 3Q2017 in connection with the Acuatico Acquisition.

8.2 (i) Other Losses

The Group recorded other losses of S\$0.21 million in 3Q2017 mainly attributable to the inclusion of the Acuatico Group's loss in disposal of fixed assets and provision for accounts receivables, as compared to other losses of S\$0.44 million in 3Q2016, which was mainly due to higher net forex exchange losses.

8.2 (j) Income Tax Expense

Income tax expense increased by S\$2.12 million, from S\$0.10 million in 3Q2016 to S\$2.22 million in 3Q2017, mainly attributable to higher deferred tax provided for the financial income on the financial assets in 3Q2017 as compared to 3Q2016, as well as the inclusion of the Acuatico Group's tax expense in 3Q2017.

8.2 (k) Exchange Differences on Translating Foreign Operations, Net of Tax

The Group experienced currency translation differences from the consolidation of its foreign operations as the reporting currency of the Group's consolidated financials is in SGD.

The Group recognized S\$5.39 million currency translation loss in 3Q2017 as the IDR further depreciated against the SGD during 3Q2017.

8.3 Statement of Financial Position (30.09.2017 vs 31.12.2016)

The Group's total equity increased by S\$0.28 million, from S\$122.99 million as at 31 December 2016 to S\$123.27 million as at 30 September 2017. The increase was due to an increase in retained earnings, partially offset by an increase in loss in foreign currency translation reserve.

8.3 (a) Non-current Assets

The Group's non-current assets increased by S\$356.67 million or 564.08%, from S\$63.23 million as at 31 December 2016 to S\$419.90 million as at 30 September 2017. This was mainly due to the following:

- Increase in recognition of financial assets arising from service concession arrangements of S\$21.18 million in accordance with INT FRS 112 for the BOT projects in Indonesia.
- Inclusion of the acquired non-current assets of the Acuatico Group comprising plant and equipment, intangible assets and deferred tax assets.
- Goodwill arising from the Acuatico Acquisition of S\$166.84 million.

8.3 (b) Current Assets

The Group's current assets increased by S\$82.22 million, from S\$69.05 million as at 31 December 2016 to S\$151.27 million as at 30 September 2017. The increase was mainly due to the inclusion of the acquired current assets of the Acuatico Group comprising inventories, trade and other receivables and cash and cash equivalents.

8.3 (c) Non-current Liabilities

The Group's non-current liabilities increased by S\$415.97 million, from S\$7.07 million as at 31 December 2016 to S\$423.04 million as at 30 September 2017, mainly due to the new bank loan obtained by the Group in connection with the Acuatico Acquisition and the inclusion of the acquired non-current liabilities from the Acuatico Group comprising non-current provisions and provision arising from service concession.

8.3 (d) Current Liabilities

The Group's current liabilities increased by S\$22.63 million, from S\$2.23 million as at 31 December 2016 to S\$24.86 million as at 30 September 2017, mainly due to the inclusion of the acquired non-current liabilities from the Acuatico Group comprising other financial liabilities and trade and other payables.

8.3 (e) Working Capital (defined as current assets less current liabilities)

The Group reported a positive working capital of S\$126.41 million as at 30 September 2017 as compared to S\$66.82 million as at 31 December 2016, mainly due to the increase in net current assets arising from the Acuatico Acquisition.

8.4 Statement of Cash Flows (9M2017)

Net cash used in operating activities in 9M2017 was S\$1.47 million, due to operating cash outflows before changes in working capital of S\$1.35 million and changes in working capital of S\$1.44 million. Changes in working capital was mainly due to (i) recognition of financial assets of S\$1.69 million in accordance with INT FRS 112 for the BOT projects in Indonesia; (ii) recognition of construction costs and inventories of S\$3.08 million and S\$0.44 million respectively, arising from the Acuatico Acquisition; (iii) a decrease in trade and other receivables of S\$1.54 million; and (iv) an increase in trade and other payables of S\$1.73 million.

Net cash used in investing activities for 9M2017 was S\$95.61 million, mainly attributable to costs incurred in relation to the Acuatico Acquisition of S\$95.52 million and purchase of plant and equipment of S\$1.30 million, partially offset by interest received of S\$1.21 million.

Net cash generated from financing activities for 9M2017 of S\$139.68 million was mainly attributable to the proceeds from the new bank loan obtained by the Group of S\$144.57 million in connection with the Acuatico Acquisition and movement in restricted cash of S\$3.01 million, partially offset by interest paid of S\$7.40 million and repayment of loan of S\$0.51 million.

8.5 Statement of Cash Flows (3Q2017)

Net cash flows from operating activities in 3Q2017 was S\$9.12 million, due to operating cash inflows before changes in working capital of S\$9.82 million and changes in working capital of S\$0.11 million. Changes in working capital was due to (i) recognition of financial assets of S\$0.50 million in accordance with INT FRS 112 for the BOT projects in Indonesia; (ii) recognition of construction costs of S\$2.53 million arising from the Acuatico Acquisition; (iii) increase in inventories of S\$0.18 million; (iv) a decrease in trade and other receivables of S\$1.83 million; and (vii) an increase in trade and other payables of S\$0.48 million.

Net cash used in investing activities for 3Q2017 was S\$0.21 million, due to purchase of plant and equipment of S\$0.81 million, partially offset by the interest received of S\$0.77 million.

Net cash used in financing activities for 3Q2017 was S\$2.73 million, and was attributable to the interest paid for the new bank loan obtained by the Group in connection with the Acuatico Acquisition offsetted by movement in restricted cash.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group is pleased with its progress in achieving a seamless and successful post-merger integration of Acuatico Pte. Ltd., and is focusing on the execution of its two concession arrangements and one bulk water project undertaken by its subsidiaries namely, PT Aetra Air Tangerang, PT Aetra Air Jakarta and PT Acuatico Air Indonesia. At the same time, the Group will also focus on the operations of its current two BOT projects in Bekasi Regency and Tangerang City.

Besides focusing on organic growth, the Group is also looking for opportunities to further expand its business operations via mergers and acquisitions to deliver greater value to the shareholders of the Company and to enhance the Group's profitability.

Barring any unforeseen circumstances, the Group remains cautiously optimistic about its performance for the financial year ending 31 December 2017.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect

The board of directors (“**Board**”) does not recommend any dividends to be declared for 3Q2017.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

No general mandate for IPT has been obtained from shareholders.

There were no IPTs during 3Q2017.

14. Confirmation by the Board pursuant to Rule 705(5) of the Catalyst Rules

We, Mohammad Syhrial and Low Chai Chong, being directors of the Company, do hereby confirm, on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the third quarter and nine-month financial period ended 30 September 2017 to be false or misleading in any material aspect.

15. Use of Proceeds

I) Placement to Tamaris Pte Ltd, completed in April 2015

Use of net proceeds	Allocation of net proceeds (as disclosed in the circular to shareholders dated 20 March 2015) (S\$'million)	Net proceeds utilised as at 14 August 2017 (S\$'million)	Net proceeds utilised as at the date of this announcement (S\$'million)	Balance of net proceeds as at the date of this announcement (S\$'million)
Capital expenditure requirements for the projects in Indonesia	26.40	24.97	26.40	-
General corporate and working capital requirements	2.85	2.46	2.62 ⁽ⁱ⁾	0.23
Total	29.25	27.43	29.02	0.23

Note:

(1) Operating expenses comprising staff costs of S\$1.32 million, office expenses of S\$0.30 million and general administrative expenses of S\$1.0 million.

II) Rights Issue, completed in January 2015

Use of net proceeds	Allocation of net proceeds (as disclosed in the circular to shareholders dated 31 December 2015) (S\$'million)	Net proceeds utilised as at 14 August 2017 (S\$'million)	Net proceeds utilised as at the date of this announcement (S\$'million)	Balance of net proceeds as at the date of this announcement (S\$'million)
Development of the BOT projects in Indonesia	32.58	-	5.98	26.60
Expansion through acquisitions, joint ventures and/or strategic partnerships	15.04	4.89	5.45	9.59
General corporate and working capital requirements of the Group	2.51	-	-	2.51
Total	50.13	4.89	11.43	38.70

The Company will make periodic announcements via SGXNet on the utilisation of the balance of the net proceeds raised from the above transactions as and when such funds are materially disbursed.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

On behalf of the board of directors of the Company, we hereby confirm that we have procured all the required undertakings from all the Directors and Executive Officers of the Company in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

On behalf of the Board of Directors

Mohammad Syahrial
Chief Executive Officer

Low Chai Chong
Non-Executive Chairman

13 November 2017