



Moya Holdings Asia Limited

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 2018**

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 Catalyst. 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 2018

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 30.09.2018	Unaudited 3 months ended 30.09.2017	Change + / (-)	Unaudited 9 months ended 30.09.2018	Unaudited 9 months ended 30.09.2017	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	48,329	48,203 ⁽¹⁾	0	141,955	81,517 ⁽¹⁾	74
Cost of sales	(25,812)	(26,809)	(4)	(77,237)	(48,124)	60
Gross profit	22,517	21,394	5	64,718	33,393	94
Other items of income:						
Interest income	609	1,150 ⁽¹⁾	(47)	2,297	1,970 ⁽¹⁾	17
Other items of expenses:						
Administrative expenses	(9,701)	(9,085)	7	(27,551)	(14,183)	94
Finance cost	(10,439)	(6,910)	51	(29,422)	(8,707)	238
Other expenses	(211)	(554)	(62)	(597)	(2,239)	(73)
Other gains	8,294	1,764	370	24,839	1,510	N.M
Profit before tax	11,069	7,759	43	34,284	11,744	192
Income tax expense	(4,182)	(2,219)	88	(11,374)	(3,713)	206
Profit net after tax	6,887	5,540	24	22,910	8,031	185
Other comprehensive loss:						
Items that will not be reclassified to profit or loss:						
Re-measurements of defined benefit pension plans, net of tax	381	-	N.M	1,387	-	N.M
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(8,971)	(5,386)	67	(19,694)	(7,746)	154
Other comprehensive loss for the financial period, net of tax	(8,590)	(5,386)	59	(18,307)	(7,746)	136
Total comprehensive (loss) / income for the financial period	(1,703)	154	N.M	4,603	285	N.M

N.M – not meaningful

Note:

- (1) Finance income under service concession arrangements in the three and nine-month financial periods ended 30 September 2017 had been reclassified to revenue to conform to the presentation of the respective comparable financial information for the three and nine-month financial periods ended 30 September 2018.

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 30.09.2018	Unaudited 3 months ended 30.09.2017	Change + / (-)	Unaudited 9 months ended 30.09.2018	Unaudited 9 months ended 30.09.2017	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Profit attributable to:						
Owners of the Parent	6,865	5,483	25	22,838	7,970	186
Non-controlling interests	22	57	(61)	72	61	18
Profit net of tax	6,887	5,540	24	22,910	8,031	185
Total comprehensive (loss) / income attributable to:						
Owners of the Parent	(1,725)	103	N.M	4,531	268	N.M
Non-controlling interests	22	51	(57)	72	17	324
Total comprehensive (loss) / income	(1,703)	154	N.M	4,603	285	N.M

N.M – not meaningful

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 30.09.2018	Unaudited 3 months ended 30.09.2017	Change + / (-)	Unaudited 9 months ended 30.09.2018	Unaudited 9 months ended 30.09.2017	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Sale of water and related services ⁽¹⁾	36,086	35,092	3	105,189	48,193	118
Service concession construction revenue ⁽¹⁾	6,323	9,242	(32)	20,566	24,342	(15)
Other revenue ⁽¹⁾	1,686	1,499	12	4,218	1,726	144
Finance income under service concession arrangements ⁽¹⁾⁽²⁾	4,234	2,370	79	11,982	7,256	65
Depreciation of property, plant and equipment ⁽³⁾	(1,170) ⁽³⁾	(879)	33	(3,559) ⁽⁵⁾	(1,125)	216
Amortisation of intangible assets ⁽⁴⁾	(6,433) ⁽⁴⁾	(4,727)	36	(19,154) ⁽⁵⁾	(5,952)	222
Allowance for doubtful debts	(444)	(438)	1	(1,323) ⁽⁵⁾	(606)	118
Interest on borrowings	(10,439)	(6,910)	51	(29,422)	(8,707)	238
Net foreign exchange adjustment gain / (losses) ⁽⁶⁾	8,410	2,229	277	21,994	1,975	N.M

N.M – not meaningful

Notes:

- (1) Classified as revenue in 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) The increase was mainly due to new fixed assets acquired during the three-month financial period ended 30 September 2018.
- (4) The increase was mainly due to additional amortisation expense from fair value uplift arising from the Acuatico Acquisition.
- (5) The increase in depreciation charges, amortisation charges, and allowance for doubtful debts ("**Expenses**") was mainly due to inclusion of the Expenses of Acuatico Group in the nine-month financial period ended 30 September 2018 as compared to only four-month inclusion of the Expenses of the Acuatico Group in the nine-month financial period ended 30 September 2017.
- (6) Classified as other gains in 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 30.09.2018	Audited 31.12.2017	Unaudited 30.09.2018	Audited 31.12.2017
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Assets				
Non-current assets				
Property, plant and equipment	23,572	24,440	80	62
Investments in subsidiaries	-	-	181,228	114,656
Financial assets arising from service concession arrangements, non-current	96,528	89,429	-	-
Intangible assets	246,960	264,398	-	-
Goodwill	62,179	62,179	-	-
Deferred tax assets	5,627	5,347	-	-
Total non-current assets	434,866	445,793	181,308	114,718
Current assets				
Inventories	5,693	4,228	-	-
Financial assets arising from service concession arrangements, current	11,461	6,081	-	-
Trade and other receivables	40,675	43,246	75	78
Restricted cash in banks	5,369	4,613	-	-
Cash and cash equivalents	116,889	96,921	64,525	66
Total current assets	180,087	155,089	64,600	144
Total assets	614,953	600,882	245,908	114,862
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	253,618	120,595	253,618	120,595
Capital reserve ⁽¹⁾	5,826	5,826	-	-
Share option reserve	591	591	591	591
Foreign currency translation reserve	(33,244)	(13,550)	-	-
Retained earnings / (Accumulated losses)	29,917	5,692	(8,453)	(6,632)
Equity, attributable to owners of the parent	256,708	119,154	245,756	114,554
Non-controlling interests	682	610	-	-
Total equity	257,390	119,764	245,756	114,554
Non-current liabilities				
Provisions, non-current	12,168	14,234	-	-
Provision arising from service concession, non-current	7,049	11,246	-	-
Borrowings, non-current	230,763	25,626	-	-
Deferred tax liabilities	40,148	38,705	-	-
Total non-current liabilities	290,128	89,811	-	-
Current liabilities				
Provision arising from service concession, current	3,527	615	-	-
Borrowings, current	37,857	364,093	-	-
Trade and other payables, current	26,051	26,599	152	308
Total current liabilities	67,435	391,307	152	308
Total liabilities	357,563	481,118	152	308
Total equity and liabilities	614,953	600,882	245,908	114,862

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 Moya Asia Limited ("MAL") pursuant to the restructuring exercise completed in 2013, the scheme 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 2018 (S\$'000)		As at 31 December 2017 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
37,857	-	364,093	-

Amount repayable after one year

As at 30 September 2018 (S\$'000)		As at 31 December 2017 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
230,763	-	25,626	-

Details of any collateral

Collateral as at 30 September 2018:

- Fiduciary of accounts receivables of certain subsidiaries of the Company and insurance claims from a subsidiary of the Company;
- Mortgage of land from a subsidiary of the Company;
- Fiduciary of machineries and equipments from a subsidiary of the Company;
- Pledge over certain subsidiaries' ordinary shares and debt service reserve accounts; and
- Corporate guarantee from the Company and a subsidiary of the Company.

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	Unaudited	Unaudited	Unaudited
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Cash flows from operating activities				
Receipts from customers	37,902	38,129	113,427	54,965
Payments to suppliers, directors and employees	(18,404)	(11,504)	(63,332)	(32,397)
Payments of corporate income tax	(1,464)	(813)	(8,015)	(2,469)
Payments of construction costs	(8,358)	(8,361)	(23,012)	(21,475)
Net cash flows from / (used in) operating activities	9,676	17,451	19,068	(1,376)
Cash flows from investing activities				
Acquisitions of fixed assets and other non-current assets	(1,277)	(972)	(4,449)	(1,313)
Receipts of interest	644	767	1,606	1,246
Acquisition of subsidiaries (net of cash acquired)	-	-	-	(95,993)
Net cash flows used in investing activities	(633)	(205)	(2,843)	(96,060)
Cash flows from financing activities				
Payments of interest and finance cost	(7,416)	(7,041)	(27,884)	(7,390)
Decrease/(increase) in restricted cash in banks	5,079	(8)	(756)	-
Proceeds from bank loan	-	-	292,637	358,581
Repayments of bank loans	(79,089)	(145)	(391,905)	(211,162)
Proceeds from shares issued	133,044	-	133,044	-
Net cash flows from / (used in) financing activities	51,618	(7,194)	5,136	140,029
Net increase in cash and cash equivalents	60,661	10,052	21,361	42,593
Cash and cash equivalents, statement of cash flows, beginning balance	59,940	94,327	96,921	63,071
Net effects of exchange rate changes	(3,712)	(1,565)	(1,393)	(2,850)
Cash and cash equivalents, statement of cash flows, closing balance	116,889	102,814	116,889	102,814

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 (S\$'000)	Capital reserve⁽¹⁾ (S\$'000)	Share option reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Retained earnings/ (Accumulated losses) (S\$'000)	Equity attributable to parent Subtotal (S\$'000)	Non-controlling interests (S\$'000)	Total Equity (S\$'000)
At 1 July 2017	120,595	5,826	591	(5,726)	1,429	122,715	403	123,118
Correction of prior period ⁽²⁾	-	-	-	5,230	(809)	4,421	99	4,520
At 1 July 2017 (restated)	120,595	5,826	591	(496)	620	127,136	502	127,638
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 income for the financial period	-	-	-	(5,380)	5,483	103	51	154
At 30 September 2017	120,595	5,826	591	(5,876)	6,103	127,239	553	127,792
At 1 July 2018	120,595	5,826	591	(24,273)	22,671	125,410	660	126,070
Profit for the financial period	-	-	-	-	6,865	6,865	22	6,887
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(8,971)	-	(8,971)	-	(8,971)
Remeasurement of defined benefit pension plans, net of tax	-	-	-	-	381	381	-	381
Total comprehensive income for the financial period	-	-	-	(8,971)	7,246	(1,725)	22	(1,703)
Proceeds from shares issued, net	133,023	-	-	-	-	133,023	-	133,023
At 30 September 2018	253,618	5,826	591	(33,244)	29,917	256,708	682	257,390

Notes:

- (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 and the issued share capital of MAL. Such merger reserve is a non-distributable reserve.
- (2) The respective figures as at 01.07.2017 were calculated based on the difference between the restated figures and the audited figures as at 31.12.2016. An additional line is added to the schedule in order to offset any mathematical residual balance from foregoing two components and this represents the hypothetical impact from correction of prior period errors to the figures as at 01.07.2017.

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 (S\$'000)	Capital reserve ⁽¹⁾ (S\$'000)	Share option reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Retained earnings/ (Accumulated losses) (S\$'000)	Equity attributable to parent Subtotal (S\$'000)	Non-controlling interests (S\$'000)	Total Equity (S\$'000)
At 1 January 2017	120,595	5,826	591	(3,404)	(1,058)	122,550	437	122,987
Correction of prior period ⁽²⁾	-	-	-	5,230	(809)	4,421	99	4,520
At 1 January 2017 (restated)	120,595	5,826	591	1,826	(1,867)	126,971	536	127,507
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 income for the financial period	-	-	-	(7,702)	7,970	268	17	285
At 30 September 2017	120,595	5,826	591	(5,876)	6,103	127,239	553	127,792
At 1 January 2018	120,595	5,826	591	(13,550)	5,692	119,154	610	119,764
Profit for the financial period	-	-	-	-	22,838	22,838	72	22,910
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(19,694)	-	(19,694)	-	(19,694)
Remeasurement of defined benefit pension plans, net of tax	-	-	-	-	1,387	1,387	-	1,387
Total comprehensive income for the financial period	-	-	-	(19,694)	24,225	4,531	72	4,603
Proceeds from shares issued, net	133,023	-	-	-	-	133,023	-	133,023
At 30 September 2018	253,618	5,826	591	(33,244)	29,917	256,708	682	257,390

Notes:

- (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 and the issued share capital of MAL. Such merger reserve is a non-distributable reserve.
- (2) The respective figures as at 01.01.2017 were calculated based on the difference between the restated figures and the audited figures as at 31.12.2016. An additional line is added to the schedule in order to offset any mathematical residual balance from foregoing two components and this represents the hypothetical impact from correction of prior period errors to the figures as at 01.01.2017.

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 2017	120,595	591	(5,874)	115,312
Loss and total comprehensive loss for the financial period	-	-	(334)	(334)
At 30 September 2017	120,595	591	(6,208)	114,978
At 1 July 2018	120,595	591	(7,406)	113,780
Proceeds from shares issued, net	133,023	-	-	133,023
Loss and total comprehensive loss for the financial period	-	-	(1,047)	(1,047)
At 30 September 2018	253,618	591	(8,453)	245,756

Company	Share capital (S\$'000)	Share option reserve (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
At 1 January 2017	120,595	591	(5,275)	115,911
Loss and total comprehensive loss for the financial period	-	-	(933)	(933)
At 30 September 2017	120,595	591	(6,208)	114,978
At 1 January 2018	120,595	591	(6,632)	114,554
Proceeds from shares issued, net	133,023	-	-	133,023
Loss and total comprehensive loss for the financial period	-	-	(1,821)	(1,821)
At 30 September 2018	253,618	591	(8,453)	245,756

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 share capital	Number of shares	Share capital (S\$'000)
As at 30 June 2018	2,800,923,962	120,595
Add:		
Issuance of shares pursuant to a rights issue exercise completed in July 2018 ("Rights Issue")	1,400,461,981	133,023
As at 30 September 2018	4,201,385,943	253,618

As at 30 September 2018, the number of outstanding share options under the Employee Share Option Scheme was 10,400,000 (as at 30 September 2017: 10,400,000).

Save as disclosed, there were no other outstanding convertibles, treasury shares or subsidiary holdings as at 30 September 2018 and 30 September 2017.

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 2018 was 4,201,385,943 (as at 31 December 2017: 2,800,923,962).

1(d)(iv) A statement showing all sales, transfer, disposal, 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 current financial period reported on.

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 current financial period reported on.

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 2017.

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 2018. 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 financial period ended 30 September 2018.

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 equity holders (numerator), and - weighted average number of ordinary shares on issue (denominator)	3 months ended 30.09.2018 (cents)	3 months ended 30.09.2017 (cents)	9 months ended 30.09.2018 (cents)	9 months ended 30.09.2017 (cents)
(i) On a basic basis; and (ii) On a fully diluted basis	0.17 0.17	0.20 0.20	0.70 0.70	0.28 0.28
Weighted average number of ordinary shares in issue: - for the purpose of basic earnings per share - for the purpose of diluted earnings per share	4,140,496,292 4,150,896,292	2,800,923,962 2,811,323,962	3,252,354,930 3,262,754,930	2,800,923,962 2,811,323,962

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	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Net asset value per ordinary share based on issued share capital ⁽¹⁾ (cents)	6.11	4.25	5.85	4.09

Note:

(1) Based on an issued share capital of 4,201,385,943 ordinary shares as at 30 September 2018 (31 December 2017: 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 (9M2018 vs 9M2017)

8.1 (a) Revenue

Revenue increased by S\$60.4 million, from S\$81.5 million for the nine-month financial period ended 30 September 2017 ("**9M2017**") to S\$141.9 million for the nine-month financial period ended 30 September 2018 ("**9M2018**"). The increase was mainly due to full nine-month revenue contribution from the Acuatico Group in 9M2018 as compared to only four-month revenue contribution in 9M2017, as well as an increase in water sales from the Acuatico Group, Tangerang and Bekasi BOT projects, in 9M2018 as compared to 9M2017.

8.1 (b) Cost of Sales

Cost of sales increased by S\$29.1 million, from S\$48.1 million in 9M2017 to S\$77.2 million in 9M2018. The increase was mainly due to full nine-month recognition of cost of sales of the Acuatico Group in 9M2018 as compared to only four-month recognition of cost of sales in 9M2017.

8.1 (c) Gross Profit

Gross profit increased by S\$31.3 million, from S\$33.4 million in 9M2017 to S\$64.7 million in 9M2018, and gross profit margin increased from 41.0% in 9M2017 to 45.6% in 9M2018. The increase in gross profit and gross profit margin were largely due to the gross profit contribution of the Acuatico Group of S\$26.4 million in 9M2018. The Acuatico Group only contributed four-month water sales in 9M2017 as compared to full nine-month water sales contribution in 9M2018.

8.1 (d) Interest Income

Interest income increased by S\$0.3 million, from S\$2.0 million in 9M2017 to S\$2.3 million in 9M2018, mainly due to the interest income from the time deposit of the Acuatico Group.

8.1 (e) Administrative Expenses

Administrative expenses increased by S\$13.4 million, from S\$14.2 million in 9M2017 to S\$27.6 million in 9M2018. The increase was mainly due to the inclusion of full nine-month administrative expenses of the Acuatico Group in 9M2018 as compared to only four-month administrative expenses in 9M2017, as well as an increase in employee related expenses and professional services in the Acuatico Group, Tangerang and Bekasi BOT projects.

8.1 (f) Finance Cost

Finance cost increased by S\$20.7 million, from S\$8.7 million in 9M2017 to S\$29.4 million in 9M2018, mainly due to interest expenses of a new bank loans of IDR2.95 trillion (equivalent to S\$292.6 million) obtained in January 2018 (“**Syndicated Loans**”) to refinance the loan obtained by the Group in connection with the Acuatico Acquisition in June 2017 (“**Acquisition Loan**”).

8.1 (g) Other Expenses

Other expenses decreased by S\$1.6 million, from S\$2.2 million in 9M2017 to S\$0.6 million in 9M2018. The expenses in 9M2017 relate mainly to the acquisition-related expenses of S\$1.7 million incurred in 9M2017 in connection with the Acuatico Acquisition. There was no such cost incurred in 9M2018.

8.1 (h) Other Gains

Other gains increased by S\$23.3 million, from S\$1.5 million in 9M2017 to S\$24.8 million in 9M2018. Other gains in 9M2018 relate to (i) a foreign exchange gain of S\$22.0 million arising from the appreciation of US Dollars (“**USD**”) against the Indonesia Rupiah (“**IDR**”) in 9M2018; and (ii) write-back of provision for impairment of trade receivables in the Acuatico Group of S\$4.2 million due to recovery of receivables. The gain was partially offset by other expenses of S\$1.4 million.

8.1 (i) Income Tax Expense

Income tax expense increased by S\$7.7 million, from S\$3.7 million in 9M2017 to S\$11.4 million in 9M2018, mainly due to the inclusion of the Acuatico Group’s income tax expense in 9M2018.

8.1 (j) Profit, Net of Tax

As a result of the above, the Group’s net profit increased by S\$14.9 million, from S\$8.0 million in 9M2017 to S\$22.9 million in 9M2018.

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 Singapore Dollar (“**SGD**”).

The Group recognized currency translation loss of S\$19.7 million in 9M2018. This was mainly due to depreciation of IDR against SGD in 9M2018. The loss was partially offset by gain of currency translation differences arising from fair value uplift and goodwill arising from the Acuatico Acquisition of approximately S\$2.8 million.

8.2 Statement of Profit or Loss and Other Comprehensive Income (3Q2018 vs 3Q2017)

8.2 (a) Revenue

Revenue increased slightly by S\$0.1 million, from S\$48.2 million for the three-month financial period ended 30 September 2017 (“**3Q2017**”) to S\$48.3 million for the three-month financial period ended 30 September 2018 (“**3Q2018**”). This was mainly due to increase in (i) water sales from the Acuatico Group, Tangerang and Bekasi BOT projects; and (ii) finance income under service concession arrangements from Tangerang and Bekasi BOT projects. The aforementioned increase was partially offset by a decrease in service concession construction revenue from the Acuatico Group, Tangerang and Bekasi BOT projects.

8.2 (b) Cost of Sales

Cost of sales decreased by S\$1.0 million, from S\$26.8 million in 3Q2017 to S\$25.8 million in 3Q2018. This was mainly due to decrease in service concession construction cost from the Acuatico Group, Tangerang and Bekasi BOT projects.

8.2 (c) Gross Profit

Gross profit increased by S\$1.1 million, from S\$21.4 million in 3Q2017 to S\$22.5 million in 3Q2018, and gross profit margin increased from 44.4% in 3Q2017 to 46.6% in 3Q2018. This was mainly due to increase of gross profit contribution from the Tangerang and Bekasi BOT projects in 3Q2018.

8.2 (d) Interest Income

Interest income decreased by S\$0.5 million, from S\$1.1 million in 3Q2017 to S\$0.6 million in 3Q2018, mainly due to decrease in interest income from the time deposit of the Acuatico Group.

8.2 (e) Administrative Expenses

Administrative expenses increased by S\$0.6 million, from S\$9.1 million in 3Q2017 to S\$9.7 million in 3Q2018, mainly due to increase in employee related expenses and professional services, partially offset by decrease in office expenses and depreciation.

8.2 (f) Finance Cost

Finance cost increased by S\$3.5 million, from S\$6.9 million in 3Q2017 to S\$10.4 million in 3Q2018, mainly due to interest expenses incurred in relation to the Syndicated Loans.

8.2 (g) Other Expenses

Other expenses decreased by S\$0.3 million, from S\$0.5 million in 3Q2017 to S\$0.2 million in 3Q2018. The expenses in 3Q2017 relate mainly to the acquisition-related expenses in connection with the Acuatico Acquisition. There was no such cost incurred in 3Q2018.

8.2 (h) Other Gains

Other gains increased by S\$6.5 million, from S\$1.8 million in 3Q2017 to S\$8.3 million in 3Q2018. Other gains in 3Q2018 relate to (i) a foreign exchange gain of S\$8.4 million arising from the appreciation of USD against IDR in 3Q2018; and (ii) write-back of provision for impairment of trade receivables in the Acuatico Group of S\$0.4 million due to recovery of receivables. The aforementioned gain was partially offset by other expenses of S\$0.5 million.

8.2 (i) Income Tax Expense

Income tax expense increased by S\$2.0 million, from S\$2.2 million in 3Q2017 to S\$4.2 million in 3Q2018, mainly due to the increase in income tax expense of the Acuatico Group's in 3Q2018.

8.2 (j) 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 currency translation loss of S\$9.0 million in 3Q2018. This was mainly due to (i) depreciation of IDR against SGD in 3Q2018; and (ii) loss of currency translation differences arising from fair value uplift and goodwill arising from the Acuatico Acquisition in 3Q2018.

8.3 Statement of Financial Position (30.09.2018 vs 31.12.2017)

The Group's total equity increased by S\$137.6 million or 115%, from S\$119.8 million as at 31 December 2017 to S\$257.4 million as at 30 September 2018. The increase was mainly due to (i) increase in share capital of S\$133.0 million from the right issue exercise completed in July 2018; and (ii) net profit of S\$22.9 million in 9M2018. The aforementioned increase were offset by loss in foreign currency translation reserve of S\$19.7 million in 9M2018.

8.3 (a) Non-current Assets

The Group's non-current assets decreased by S\$10.9 million or 2.5%, from S\$445.8 million as at 31 December 2017 to S\$434.9 million as at 30 September 2018. This was mainly due to decrease in intangible assets of S\$17.4 million, partially offset by increase in financial assets arising from service concession arrangement of S\$7.1 million. Intangible assets comprised intangible assets arising from service concession arrangements, and contractual concession rights. Please refer to Section 1(a)(ii) of this announcement, footnote (2), on the accounting treatment of the Group's financial assets arising from service concession arrangement.

8.3 (b) Current Assets

The Group's current assets increased by S\$25.0 million or 16.1%, from S\$155.1 million as at 31 December 2017 to S\$180.1 million as at 30 September 2018. This was mainly due to increase in (i) cash and cash equivalents of S\$20.0 million; (ii) financial assets arising from service concession arrangements of S\$5.4 million; (iii) inventories of S\$1.5 million; and (iv) restricted cash in banks of S\$0.8 million. The aforementioned increases were partially offset by decreases in trade and other receivables of S\$2.6 million. Please refer to Section 8.4 of this announcement on the statement of cash flows for explanations on the increase in cash and cash equivalents of the Group.

The increase in financial assets arising from service concession arrangements (current and non-current) of S\$12.5 million was mainly due to the capitalization of expenditure incurred for the BOT projects in PT Moya Bekasi Jaya and PT Moya Tangerang. The decrease in trade and other receivables was mainly due to payment received from customers.

8.3 (c) Non-current Liabilities

The Group's non-current liabilities increased by S\$200.3 million or 223%, from S\$89.8 million as at 31 December 2017 to S\$290.1 million as at 30 September 2018. This was mainly due to the Syndicated Loans obtained in January 2018 to refinance the Acquisition Loan which were short term in nature.

8.3 (d) Current Liabilities

The Group's current liabilities decreased by S\$323.9 million or 83%, from S\$391.3 million as at 31 December 2017 to S\$67.4 million as at 30 September 2018. This was mainly due to the repayment of (i) the Acquisition Loan of USD240.0 million and refinance of loans from Bank Mega of IDR 472.5 billion (equivalent to S\$45.1 million) in January 2018 with the Syndicated Loans secured by the Group in January 2018, and (ii) the instalment of IDR253.5 billion (equivalent to S\$24.0 million) of an existing loans in 9M2018.

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

The Group reported a positive working capital of S\$112.7 million as at 30 September 2018 as compared to a negative working capital of S\$236.2 million as at 31 December 2017, mainly due to increase in cash and cash equivalent subsequent to the Rights Issue and repayment of the Acquisition Loan.

8.4 Statement of Cash Flows (9M2018)

Net cash flows from operating activities in 9M2018 was S\$19.1 million, due to receipts from customers of S\$113.4 million, partially offset by payments of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$23.0 million, payment of corporate income tax of S\$8.0 million and payment to suppliers, directors and employees of S\$63.3 million.

Net cash flows used in investing activities in 9M2018 was S\$2.8 million, due to purchase of fixed assets and other non-current assets of S\$4.4 million, partially offset by receipt of interest income from time deposit of S\$1.6 million.

Net cash flows from financing activities in 9M2018 was S\$5.1 million, attributable to proceeds from the Syndicated Loans of S\$292.6 million and proceeds from shares issued of S\$133.0 million, partially offset by repayments of bank loans of S\$391.9 million, payments of interest and finance cost of S\$27.9 million and increase in restricted cash in banks of S\$0.7 million.

8.5 Statement of Cash Flows (3Q2018)

Net cash flows from operating activities in 3Q2018 was S\$9.7 million, due to receipts from customers of S\$37.9 million, partially offset by payments of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$8.4 million, payment of corporate income tax of S\$1.5 million and payment to suppliers, directors and employees of S\$18.3 million.

Net cash flows used in investing activities in 3Q2018 was S\$0.6 million, due to purchase of fixed assets and other non-current assets of S\$1.3 million, partially offset by receipt of interest from time deposit of S\$0.6 million.

Net cash flows from financing activities in 3Q2018 was S\$51.6 million, attributable to proceeds from shares issued of S\$133.0 million and decrease in restricted cash in banks of S\$5.1 million, partially offset by repayment of bank loans of S\$79.1 million and payments of interest and finance cost of S\$7.4 million.

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.

In July 2018, the Company completed a rights issue exercise and received net proceeds of approximately S\$132.04 million. This enabled the Group to further strengthen its financial position and fund future growth of the Group.

In September 2018, the Company's subsidiary, PT Aetra Air Jakarta ("**AAJ**"), together with its partner, PT Medco Infrastruktur Indonesia ("**MII**"), have been awarded the project to design, finance, build, operate, maintain and transfer of the water supply system of 1,000 lps capacity in West Semarang by Perusahaan Daerah Air Minum Tirta Moedal ("**PDAM**"), the municipal water company of Semarang City, Central Java, Indonesia. The ownership of AAJ is 75% in the consortium company.

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.

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 3Q2018.

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.

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

We, Mohammad Syahrial 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 2018 to be false or misleading in any material aspect.

15. Use of Proceeds

Rights issue, completed in January 2016

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 1 August 2018 (S\$'million)	Net proceeds utilised from 1 August 2018 up to 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	17.60	6.14	8.84
Expansion through acquisitions, joint ventures and/or strategic partnerships	15.04	15.04	-	-
General corporate and working capital requirements of the Group	2.51	0.95	0.98 ⁽¹⁾	0.58
Total	50.13	33.59	7.12	9.42

Note:

(1) Comprised payments of staff costs of S\$0.13 million, office expenses of S\$0.78 million and general administrative expenses of S\$0.07 million.

Rights Issue, completed in July 2018

Use of Net Proceeds	Allocation of Net Proceeds (as disclosed in the Offer Information Statement) (S\$' million)	Net Proceeds utilised as at 1 August 2018 (S\$' million)	Net proceeds utilised from 1 August 2018 up to the date of this announcement (S\$'million)	Balance of Net Proceeds as at the date of this announcement (S\$' million)	Balance of Net Proceeds (on a re-allocated basis) as at the date of this announcement (S\$' million)
Full repayment of the MIH Loan	68.00	64.46	-	3.54 ⁽¹⁾	-(¹)
Continual expansion through acquisitions, joint ventures and/or strategic partnerships	50.00	-	1.60	48.40	48.40
Development of BOT Projects in bulk water supply and water supply concessions in Indonesia	13.00	-	-	13.00	16.54 ⁽¹⁾
General corporate and working capital requirements of the Group	1.04	-	0.25	0.79	1.06 ⁽²⁾
Total use of net proceeds	132.04	64.46	1.85	65.73	66.00
Rights Issue expenses	1.00	-	0.73	0.27 ⁽²⁾	-(²)
Total	133.04	64.46	2.58	66.00	66.00

Note:

- (1) The Company had utilized S\$64.46 million from the Net Proceeds and its other existing cash balance to repay the entire outstanding balance of the Acquisition Loan. As such, the unutilized balance of S\$3.54 million of the Net Proceeds initially allocated for the repayment of the MIH Loan shall be re-allocated for the development of BOT projects in bulk water supply and water supply concessions in Indonesia.
- (2) The Company had utilized S\$0.73 million out of the S\$1.0 million allocated as the expenses for the Rights Issue. The unutilized balance of S\$0.27 million shall be re-allocated to the general corporate and working capital requirements of the Group.

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

1 November 2018