



MOYA HOLDINGS ASIA LIMITED
Registration number: 201301085G

**Unaudited Financial Statements and Dividend Announcement
For The Financial Period of Fourth Quarter and Full Year Ended 31 December 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 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 FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 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 31.12.2017	Restated 3 months ended 31.12.2016 ⁽¹⁾	Change + / (-)	Unaudited 12 months ended 31.12.2017	Restated 12 months ended 31.12.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	50,500	11,397	343	132,017	27,433	381
Cost of sales	(29,060)	(8,202)	254	(77,184)	(18,480)	318
Gross profit	21,440	3,195	571	54,833	8,953	512
Interest income	2,601	208	1,150	4,571	806	467
Administrative expenses	(11,192)	(1,284)	772	(25,375)	(3,465)	632
Finance costs	(9,754)	(112)	N.M	(18,461)	(455)	N.M
Other expenses	(20)	(141)	(86)	(2,259) ⁽²⁾	(490)	361
Other gains / (losses)	(779)	776	N.M	731	(413)	N.M
Profit before tax	2,296	2,642	(13)	14,040	4,936	184
Income tax expense	(2,664)	(1,477)	80	(6,377)	(1,696)	276
Profit / (loss), net of tax	(368)	1,165	N.M	7,663	3,240	137
Other comprehensive (loss) / income:						
Items that will not be reclassified to profit or loss:						
Re-measurements of defined benefit pension plans, net of tax	(30)	72	N.M	(30)	72	N.M
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(7,630)	3,908	N.M	(15,376)	4,018	N.M
Other comprehensive (loss) / income, net of tax:	(7,660)	3,980	N.M	(15,406)	4,090	N.M
Total comprehensive (loss) / income	(8,028)	5,145	N.M	(7,743)	7,330	N.M

N.M – not meaningful

Notes:

- (1) The figures for the unaudited 3 months ended 31.12.2016 were calculated based on the difference between the figures for the restated 12 months ended 31.12.2016 and the figures for the unaudited 9 months ended 31.12.2016.
- (2) Includes acquisition-related expenses of S\$1.5 million in respect of the Group's acquisition of the Acuatico Group in June 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 (continued)

	Group					
	Unaudited 3 months ended 31.12.2017	Restated 3 months ended 31.12.2016 ⁽¹⁾	Change + / (-)	Unaudited 12 months ended 31.12.2017	Restated 12 months ended 31.12.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Profit / (Loss) attributable to:						
Owners of the parent, net of tax	(380)	1,152	N.M	7,590	3,136	142
Non-controlling interests, net of tax	12	13	(8)	73	104	(30)
Profit / (Loss), net of tax	(368)	1,165	N.M	7,663	3,240	137
Total comprehensive income attributable to:						
Owners of the parent	(8,085)	5,137	N.M	(7,817)	7,226	N.M
Non-controlling interests	57	8	613	74	104	(29)
Total comprehensive income	(8,028)	5,145	N.M	(7,743)	7,330	N.M

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

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

	Group					
	Unaudited 3 months ended 31.12.2017	Restated 3 months ended 31.12.2016 ⁽¹⁾	Change + / (-)	Unaudited 12 months ended 31.12.2017	Restated 12 months ended 31.12.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Sale of water ⁽²⁾	38,753	2,347	1,511	86,946	6,086	N.M
Service concession construction revenue ⁽²⁾	8,562	6,974	23	32,904	15,069	118
Other revenue ⁽²⁾	1,375	-	N.M	3,102	-	N.M
Interest income from financial assets arising from service concession arrangements ⁽³⁾	1,809	2,076	(13)	9,065	6,278	44
Depreciation of plant and equipment	(1,634)	(50)	N.M	(2,759)	(174)	N.M
Allowance for doubtful debts	(178)	-	N.M	(178)	-	N.M
Amortisation of intangible assets	(8,355)	-	N.M	(14,307)	-	N.M
Interest on borrowings	(9,754)	(112)	N.M	(18,461)	(455)	N.M
Net foreign exchange adjustment gains / (losses) ⁽⁴⁾	(2,014)	1,067	N.M	(39)	(293)	(87)

N.M – not meaningful

(1) The figures for the unaudited 3 months ended 31.12.2016 are calculated based on the difference between the figures for the restated 12 months ended 31.12.2016 and the figures for the unaudited 9 months ended 31.12.2016.

(2) Classified as revenue in consolidated statement of profit or loss and other comprehensive income.

(3) 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.

(4) Classified as other gains / (losses) in consolidated statement of profit or loss and other comprehensive income.

Restatements in statement of profit or loss

During the financial year ended 31 December 2017, several prior period errors were noted when undertaking a detailed review on the following items:

- (a) application of *IFRIC 12: Service Concession Arrangements* towards the Group's financial asset model and the associated deferred tax impact;
- (b) the foreign currency translation reserve recognised in the consolidated financial statements of the Group; and
- (c) provision for employee benefits.

The errors have been corrected and each of the affected financial statement line items for the prior periods have been restated as follows:

	Group		
	Previously reported (Audited) 31.12.2016 (S\$'000)	Effects of restatement 31.12.2016 (S\$'000)	After restatements (Unaudited) 31.12.2016 (S\$'000)
Consolidated Statement of Profit or Loss			
Sale of water	5,735	351	6,086
Service concession construction revenue	13,591	1,478	15,069
Service concession construction cost	(13,591)	(1,478)	(15,069)
Interest income from financial assets arising from service concession arrangements	6,583	(305)	6,278
Other comprehensive income – foreign currency translation	3,778	240	4,018
Income tax expense	(1,458)	(238)	(1,696)

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 31.12.2017	Restated 31.12.2016	Restated 01.01.2016	Unaudited 31.12.2017	Audited 31.12.2016
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Assets					
Non-current assets					
Plant and equipment	24,440	1,136	399	62	3
Investments in subsidiaries	-	-	-	114,656	91,751
Financial assets arising from service concession arrangements	89,429	68,601	46,151	-	-
Intangible assets arising from service concession arrangements	264,398	-	-	-	-
Goodwill	62,179	-	-	-	-
Deferred tax assets	5,347	-	-	-	-
Total non-current assets	445,793	69,737	46,550	114,718	91,754
Current assets					
Inventories	4,228	1	1	-	-
Financial assets arising from service concession arrangements	6,081	1,857	882	-	-
Trade and other receivables, current	43,246	5,974	3,530	78	95
Restricted cash in banks	4,613	-	-	-	-
Cash and cash equivalents	96,921	63,071	28,030	66	24,337
Total current assets	155,089	70,903	31,561	144	24,432
Total assets	600,882	140,640	78,993	114,862	116,186
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	120,595	120,595	70,463	120,595	120,595
Capital reserve ⁽¹⁾	5,826	5,826	5,826	-	-
Share option reserve	591	591	668	591	591
Foreign currency translation reserve	(13,550)	1,826	(2,192)	-	-
Retained earnings/ (Accumulated losses)	5,692	(1,867)	(5,075)	(6,632)	(5,275)
Equity, attributable to owners of the parent	119,154	126,971	69,690	114,554	115,911
Non-controlling interests	610	536	432	-	-
Total equity	119,764	127,507	70,122	114,554	115,911
Non-current liabilities					
Provisions, non-current	14,234	789	426	-	-
Provision arising from service concession	11,246	-	-	-	-
Other financial liabilities, non-current	25,626	3,924	3,880	-	-
Deferred tax liabilities	38,705	4,712	3,050	-	-
Total non-current liabilities	89,811	9,425	7,356	-	-
Current liabilities					
Other financial liabilities, current	364,093	688	632	-	-
Provision arising from service concession – current	615	-	-	-	-
Trade and other payables, current	26,599	3,020	883	308	275
Total current liabilities	391,307	3,708	1,515	308	275
Total liabilities	481,118	13,133	8,871	308	275
Total equity and liabilities	600,882	140,640	78,993	114,862	116,186

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 pursuant to the restructuring exercise completed in 2013, the scheme and the issued share capital of Moya Asia Limited. Such merger reserve is a non-distributable reserve.

Restatements in statement of financial position

During the financial year ended 31 December 2017, several prior period errors were noted when undertaking a detailed review on the following items:

- (a) application of *IFRIC 12: Service Concession Arrangements* towards the Group's financial asset model and the associated deferred tax impact;
- (b) foreign currency translation reserve recognised in the consolidated financial statements of the Group; and
- (c) provision for employee benefits.

The errors have been corrected and each of the affected financial statement line items for the prior period have been restated as follows:

	Group		
	Previously reported (Audited) 1.1.2016 (\$'000)	Effects of restatement 1.1.2016 (\$'000)	After restatements (Unaudited) 1.1.2016 (\$'000)
Consolidated Statement of Financial Position			
Financial assets arising from service concession arrangements	40,840	6,193	47,033
Foreign currency translation reserve	(7,154)	4,962	(2,192)
Accumulated losses	(4,091)	(984)	(5,075)
Deferred tax liabilities, non-current	822	2,228	3,050
Trade and other payables, current	982	(99)	883

	Group		
	Previously reported (Audited) 31.12.2016 (\$'000)	Effects of restatement 31.12.2016 (\$'000)	After restatements (Unaudited) 31.12.2016 (\$'000)
Consolidated Statement of Financial Position			
Financial assets arising from service concession arrangements	62,056	8,402	70,458
Plant and equipment	1,176	(40)	1,136
Foreign currency translation reserve	(3,404)	5,230	1,826
Accumulated losses	(1,058)	(809)	(1,867)
Provisions, non-current	899	(110)	789
Deferred tax liabilities, non-current	2,243	2,469	4,712
Trade and other payables, current	1,537	1,483	3,020

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 31 December 2017 (S\$'000)		As at 31 December 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
364,093	-	688	-

Amount repayable after one year

As at 31 December 2017 (S\$'000)		As at 31 December 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
25,626	-	3,924	-

Details of any collateral

Collateral as at 31 December 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
- Pledge over certain affiliates' ordinary shares

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 31.12.2017	Unaudited 3 months ended 31.12.2016	Unaudited 12 months ended 31.12.2017	Audited 12 months ended 31.12.2016
Cash flows from operating activities				
Receipts from customers	34,926	2,171	89,891	7,131
Payments to suppliers, directors and employees	(9,263)	(2,116)	(42,665)	(7,902)
Payments of corporate income tax	(4,639)	(6,361)	(6,199)	(71)
Payments of construction costs	(10,081)	(198)	(31,556)	(15,069)
Net cash flows from / (used in) operating activities	10,943	(6,504)	9,471	(15,911)
Cash flows from investing activities				
Acquisitions of fixed assets and other non-current assets	(3,216)	(102)	(4,520)	(954)
Receipts of interest	3,359	217	4,571	807
Acquisition of subsidiaries	-	-	(310,241)	-
Net cash flows from / (used in) investing activities	143	115	(310,190)	(147)
Cash flows from financing activities				
Payments of interest and finance cost	(7,124)	(112)	(14,514)	(455)
Receipts of new capital	-	-	-	50,132
Increase in restricted cash	(4,613)	-	(4,613)	-
Proceeds from bank loan	50,629	-	462,623	4,576
Repayment of bank loan	(49,832)	(156)	(100,038)	(4,512)
Net cash flows (used in) / from financing activities	(10,940)	(268)	343,458	49,741
Net (decrease) / increase in cash and cash equivalents	146	(6,657)	42,739	33,683
Cash and cash equivalents, statement of cash flows, beginning balance	102,814	67,230	63,071	28,030
Net effects of exchange rate changes	(6,039)	2,498	(8,889)	1,358
Cash and cash equivalents, statement of cash flows, closing balance	96,921	63,071	96,921	63,071

Note:

- (1) The presentation of the cash flow statement has been changed, from that in prior periods/years, from the indirect method to the direct method.

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 owners of parent (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 1 October 2016	120,595	5,826	668	(7,049)	(2,107)	117,933	442	118,375
Correction of prior period ⁽²⁾	-	-	(77)	4,967	(984)	3,906	94	4,000
At 1 October 2016 (Restated)	120,595	5,826	591	(2,082)	(3,091)	121,839	536	122,375
Profit for the financial period	-	-	-	-	1,152	1,152	-	1,152
Other comprehensive income								
Foreign currency translation differences of foreign operations	-	-	-	3,908	-	3,908	-	3,908
Re-measurement of defined benefit pension plans, net of tax	-	-	-	-	72	72	-	72
Total comprehensive income for the financial period	-	-	-	3,908	1,224	5,132	-	5,132
At 31 December 2016 (Restated)	120,595	5,826	591	1,826	(1,867)	126,971	536	127,507
At 1 October 2017	120,595	5,826	591	(11,106)	6,912	122,818	454	123,272
Correction of prior period ⁽²⁾	-	-	-	5,186	(810)	4,376	156	4,532
At 1 October 2016 (Restated)	120,595	5,826	591	(5,920)	6,102	127,194	610	127,804
Profit for the financial period	-	-	-	-	(380)	(380)	-	(380)
Other comprehensive income								
Foreign currency translation differences of foreign operations	-	-	-	(7,630)	-	(7,630)	-	(7,630)
Re-measurement of defined benefit pension plans, net of tax	-	-	-	-	(30)	(30)	-	(30)
Total comprehensive income for the financial period	-	-	-	(7,630)	(410)	(8,040)	-	(8,040)
At 31 December 2017	120,595	5,826	591	(13,550)	5,692	119,154	610	119,764

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 Moya Asia Limited pursuant to the restructuring exercise completed in 2013, the scheme and the issued share capital of Moya Asia Limited. Such merger reserve is a non-distributable reserve.
- (2) The respective figures for the unaudited 3 months ended 31.12.2016 and 31.12.2017 were calculated based on the difference between the figures for the restated 12 months ended 31.12.2016 and the figures for the unaudited 31.12.2017 with the figures for the unaudited 9 months ended 31.12.2016 and 31.12.2017. An additional line is also 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 unaudited 3 months ended 31.12.2016 and 31.12.2017.

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 2016 (Restated)	70,463	5,826	668	(2,192)	(5,075)	69,690	432	70,122
Profit for the financial period	-	-	-	-	3,136	3,136	104	3,240
Other comprehensive income								
Foreign currency translation differences of foreign operations	-	-	-	4,018	-	4,018	-	4,018
Re-measurement of defined benefit pension plans, net of tax	-	-	-	-	72	72	-	72
Total comprehensive income for the financial period	-	-	-	4,018	3,208	7,226	104	7,330
Issue of share capital, net of expenses	50,132	-	-	-	-	50,132	-	50,132
Forfeiture of share options	-	-	(77)	-	-	(77)	-	(77)
At 31 December 2016 (Restated)	120,595	5,826	591	1,826	(1,867)	126,971	536	127,507
At 1 January 2017 (Restated)	120,595	5,826	591	1,826	(1,867)	126,971	536	127,507
Profit for the financial period	-	-	-	-	7,590	7,590	73	7,663
Other comprehensive income								
Foreign currency translation differences of foreign operations	-	-	-	(15,376)	-	(15,376)	-	(15,376)
Re-measurement of defined benefit pension plans, net of tax	-	-	-	-	(31)	(31)	1	(30)
Total comprehensive income for the financial period	-	-	-	(15,376)	7,559	(7,817)	74	(7,743)
Issue of share capital, net of expenses	-	-	-	-	-	-	-	-
Forfeiture of share options	-	-	-	-	-	-	-	-
At 31 December 2017 (Unaudited)	120,595	5,826	591	(13,550)	5,692	119,154	610	119,764

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 pursuant to the restructuring exercise completed in 2013, and the Scheme and the issued share capital of Moya Asia Limited. 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 October 2016	120,595	668	(5,126)	116,137
Loss and total comprehensive loss for the financial period	-	-	(226)	(226)
Forfeiture of share options	-	(77)	77	-
At 31 December 2016	<u>120,595</u>	<u>591</u>	<u>(5,275)</u>	<u>115,911</u>
At 1 October 2017	120,595	591	(6,208)	114,978
Loss and total comprehensive loss for the financial period	-	-	(424)	(424)
At 31 December 2017	<u>120,595</u>	<u>591</u>	<u>(6,632)</u>	<u>114,554</u>

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
Loss and total comprehensive loss for the financial period	-	-	(971)	(971)
Issue of shares, net of expenses	50,132	-	-	50,132
Forfeiture of share options	-	(77)	77	-
At 31 December 2016	<u>120,595</u>	<u>591</u>	<u>(5,275)</u>	<u>115,911</u>
At 1 January 2017	120,595	591	(5,275)	115,911
Loss and total comprehensive loss for the financial period	-	-	(1,357)	(1,357)
At 31 December 2017	<u>120,595</u>	<u>591</u>	<u>(6,632)</u>	<u>114,554</u>

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 1 October 2017 and 31 December 2017	<u>2,800,923,962</u>	<u>120,595</u>

As at 31 December 2017, the number of outstanding share options under the Employee Share Option Scheme ("ESOS") was 10,400,000 (as at 31 December 2016: 10,400,000).

Save as disclosed above, there were no other outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2017 and 31 December 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 31 December 2017 was 2,800,923,962 (as at 31 December 2016: 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 financial year ended 31 December 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 year ended 31 December 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

During the financial year, the Group discovered prior period errors when undertaking a detailed review on the following items:

- (a) application of *IFRIC 12: Service Concession Arrangements* towards the Group's financial asset model and the associated deferred tax impact;
- (b) the foreign currency translation reserve recognised in the consolidated financial statements of the Group; and
- (c) provision for employee benefits.

The errors have been corrected and each of the affected financial statement line items for the prior period have been restated. Please refer to paragraphs 1(a)(ii) and 1(b)(i) for further details on the restatements.

Except as disclosed above and in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current financial year ended 31 December 2017 as those applied in the Group's most recently 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 is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for the financial year ended 31 December 2017.

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 / (losses) 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 31.12.2017 (cents)	3 months ended 31.12.2016 (cents)	12 months ended 31.12.2017 (cents)	12 months ended 31.12.2016 (cents)
(i) Basic	(0.01)	0.04	0.27	0.12
(ii) On a fully diluted basis	(0.01)	0.04	0.27	0.12
Weighted average number of ordinary shares in issue:				
- for the purpose of basic earnings/(loss) per share	2,800,923,962	2,800,923,962	2,800,923,962	2,696,173,570
- for the purpose of diluted earnings/(loss) per share	2,811,323,962	2,811,323,962	2,811,323,962	2,706,573,570

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	
	Unaudited 31.12.2017	Restated 31.12.2016	Unaudited 31.12.2017	Audited 31.12.2016
Net asset value per ordinary share based on issued share capital ⁽¹⁾ (cents)	4.28	4.55	4.09	4.14

Note:

(1) Based on an issued share capital of 2,800,923,962 ordinary shares as at 31 December 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 (FY2017 vs FY2016)

8.1 (a) Revenue

Revenue increased by S\$104.6 million, from S\$27.4 million in the financial year ended 31 December 2016 (“FY2016”) to S\$132.0 million in the financial year ended 31 December 2017 (“FY2017”). The increase was attributable to (i) water sales of S\$80.9 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) Cost of sales

Cost of sales increased by S\$58.7 million, from S\$18.5 million in FY2016 to S\$77.2 million in FY2017. The increase was largely in line with the increase in revenue.

8.1 (c) Gross Profit

Gross profit increased by S\$45.9 million, from S\$9.0 million in FY2016 to S\$54.8 million in FY2017, mainly attributable to the inclusion of water sales from the Acuatico Group. This also resulted in the increase of the Group’s gross profit margin from 32.6% in FY2016 to 41.5% in FY2017.

8.1 (d) Interest Income

Interest income increased by S\$3.8 million, from S\$0.8 million in FY2016 to S\$4.6 million in FY2017, mainly due to the interest income from the time deposit of the Acuatico Group.

8.1 (e) Administrative Expenses

Administrative expenses increased by S\$21.9 million, from S\$3.5 million in FY2016 to S\$25.4 million in FY2017. The increase was mainly due to the inclusion of employee related expenses, office expenses and professional fees from the Acuatico Group.

8.1 (f) Finance Costs

Finance costs increased by S\$18.0 million, from S\$0.5 million in FY2016 to S\$18.5 million in FY2017. This was mainly due to the interest expenses of the new bank loan obtained by the Group in connection with the Acuatico Acquisition of USD 275 million in June 2017 (“Acquisition Loan”).

8.1 (g) Other Expenses

Other expenses increased by S\$1.8 million, from S\$0.5 million in FY2016 to S\$2.3 million in FY2017, mainly due to the inclusion of office rental, office maintenance fee and business development expense of the Acuatico Group.

8.1 (h) Other Gains / (Losses)

The Company recorded a net foreign exchange gain of S\$0.7 million in FY2017 and a net foreign exchange loss of S\$0.4 million in FY2016. This was mainly due to unrealised foreign exchange gain arising from the appreciation of Singapore Dollars (“SGD”) against the United States Dollars and Indonesia Rupiah (“IDR”) in FY2017.

8.1 (i) Income Tax Expense

Income tax expense increased by S\$4.7 million, from S\$1.7 million in FY2016 to S\$6.4 million in FY2017, due to the inclusion of the Acuatico Group’s income tax expense and higher deferred tax provided for the financial income on the financial assets in FY2017 as compared to FY2016.

8.1 (j) Profit, Net of Tax

As a result of the above, the Group’s net profit increased by S\$4.5 million, from S\$3.2 million in FY2016 to S\$7.7 million in FY2017.

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\$15.4 million currency translation loss in FY2017. This was mainly due to (i) currency translation differences arising from fair value uplift and goodwill arising from the Acuatico Acquisition of approximately S\$4.4 million; and (ii) depreciation of IDR against SGD in FY2017.

8.2 Statement of Profit or Loss and Other Comprehensive Income (4Q2017 vs 4Q2016)

8.2 (a) Revenue

Revenue increased by S\$39.1 million, from S\$11.4 million for the three-month financial period ended 31 December 2016 ("4Q2016") to S\$50.5 million for the three-month financial period ended 31 December 2017 ("4Q2017"). The increase was mainly attributable to water sales of S\$34.7 million contributed by the Acuatico Group.

8.2 (b) Cost of sales

Cost of sales increased by S\$20.9 million, from S\$8.2 million in 4Q2016 to S\$29.1 million in 4Q2017. The increase was largely due to the increase in revenue.

8.2 (c) Gross Profit

Gross profit increased by S\$18.2 million, from S\$3.2 million in 4Q2016 to S\$21.4 million in 4Q2017. The increase was mainly attributable to the inclusion of water sales from the Acuatico Group, which also resulted in the increase of gross profit margin from 28.1% in 4Q2016 to 42.5% in 4Q2017.

8.2 (d) Interest Income

Interest income increased by S\$2.4 million, from S\$0.2 million in 4Q2016 to S\$2.6 million in 4Q2017, mainly due to inclusion of the Acuatico Group's interest income from time deposit.

8.2 (e) Administrative Expenses

Administrative expenses increased by S\$9.9 million, from S\$1.3 million in 4Q2016 to S\$11.2 million in 4Q2017, mainly due to the inclusion of employee related expense, office expenses and professional fees from the Acuatico Group.

8.2 (f) Finance Costs

Finance costs increased by S\$9.7 million, from S\$0.1 million in 4Q2016 to S\$9.8 million in 4Q2017, mainly due to interest expenses from the Acquisition Loan obtained by the Group in June 2017.

8.2 (g) Other Expenses

Other expenses decreased by S\$0.09 million, from S\$0.1 million in 4Q2016 to S\$0.02 million in 4Q2017, mainly due to the inclusion of the Acuatico Group's other expenses, such as office rental and business development expense.

8.2 (h) Other Gain / (Losses)

The Company recorded other loss of S\$0.8 million in 4Q2017 and other gain of S\$0.8 million in 4Q2016. This loss in 4Q2017 was mainly due to hedging cost incurred in 4Q2017.

8.2 (i) Income Tax Expense

Income tax expense increased by S\$1.2 million, from S\$1.5 million in 4Q2016 to S\$2.7 million in 4Q2017, mainly due to the inclusion of the Acuatico Group's income tax expense and higher deferred tax provided for the financial income on the financial assets in 4Q2017 as compared to 4Q2016.

8.2 (j) Profit / (Losses), Net of Tax

As a result of the above, the Group recorded net loss of S\$0.4 million in 4Q2017, as compared to net profit of S\$1.2 million in 4Q2016.

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 in Indonesia as the reporting currency of the Group's consolidated financials is in SGD.

The Group recognised S\$7.6 million currency translation loss in 4Q2017, as compared to S\$3.9 million currency translation gain in 4Q2016. This was mainly due to the depreciation of IDR against SGD during 4Q2017.

8.3 Statement of Financial Position (31.12.2017 vs 31.12.2016)

The Group's total equity decreased by S\$7.7 million or 6.0%, from S\$127.5 million as at 31 December 2016 to S\$119.8 million as at 31 December 2017. The decrease was mainly due to negative foreign translation reserve of S\$15.4 million, partially offset by net profit generated in FY2017 of S\$5.7 million.

8.3 (a) Non-current Assets

The Group's non-current assets increased by S\$376.1 million or 539%, from S\$69.7 million as at 31 December 2016 to S\$445.8 million as at 31 December 2017. This was mainly due to the following:

- i. inclusion of the acquired non-current assets of the Acuatico Group, comprising plant and equipment of S\$23.7 million, intangible assets of S\$264.4 million, and deferred tax assets of S\$5.3 million;
- ii. increase in recognition of financial assets of S\$25.1 million arising from service concession arrangements in accordance with INT FRS 112 for the BOT projects in Indonesia; and
- iii. goodwill of S\$62.2 million arising from the Acuatico Acquisition.

8.3 (b) Current Assets

The Group's current assets increased by S\$84.1 million or 118.5%, from S\$70.9 million as at 31 December 2016 to S\$155.1 million as at 31 December 2017. This was mainly due to the inclusion of the acquired current assets of the Acuatico Group (comprising inventories of S\$4.2 million, trade and other receivables of S\$36.7 million and cash and cash equivalents of S\$71.2 million), partially offset by a decrease in cash and cash equivalent in the Group (excluding the Acuatico Group) by S\$31.1 million.

8.3 (c) Non-current Liabilities

The Group's non-current liabilities increased by S\$80.4 million or 855.3%, from S\$9.4 million as at 31 December 2016 to S\$89.8 million as at 31 December 2017. This was mainly due to (i) an increase in non-current financial liabilities of S\$21.7 million which relates to the Acquisition Loan; (ii) an increase in deferred tax liabilities of S\$34.0 million which relates to financial assets model from service concession arrangement ; and (iii) inclusion of the acquired non-current liabilities of the Acuatico Group, comprising non-current provisions of S\$13.6 million, provision arising from service concession of S\$11.2 million.

8.3 (d) Current Liabilities

The Group's current liabilities increased by S\$387.6 million, from S\$3.7 million as at 31 December 2016 to S\$391.3 million as at 31 December 2017. This was mainly due to the Acquisition Loan amounting to S\$363.9 million as at 31 December 2017, as well as the inclusion of the acquired current liabilities from the Acuatico Group (comprising other financial liabilities of S\$46.5 million, provision arising from service concession of S\$0.6 million, and trade and other payables of S\$21.8 million). The Acquisition Loan was subsequently partially repaid in January 2018 as the Group had, in January 2018, obtained new term loans with maturity of 5 and 10 years.

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

The Group reported a negative working capital of S\$236.2 million as at 31 December 2017, as compared to positive S\$67.2 million as at 31 December 2016, mainly due to the Acquisition Loan. As discussed above,

the Acquisition Loan was subsequently partially repaid in January 2018 as the Group had, in January 2018, obtained new term loans with maturity of 5 and 10 years.

8.4 Statement of Cash Flows (FY2017)

Net cash flows from operating activities in FY2017 was S\$9.5 million, mainly due to receipts from customers of S\$89.9 million, partially offset by payment of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$31.6 million, payment of corporate income tax of S\$6.2 million, and disbursements made to the suppliers, directors and employees of S\$42.7 million.

Net cash flow used in investing activities in FY2017 was S\$310.2 million, attributable to costs incurred in relation to the Acuatico Acquisition of S\$310.2 million and purchase of fixed assets and other non-current assets of S\$4.5 million, partially offset by interest received of S\$4.6 million.

Net cash flow from financing activities in FY2017 was S\$343.5 million, attributable to proceeds from the Acquisition Loan of S\$462.6 million, partially offset by repayment of bank loan of S\$100.0 million, and interest and finance cost paid of S\$14.5 million.

8.5 Statement of Cash Flows (4Q2017)

Net cash flows generated from operating activities in 4Q2017 was S\$10.9 million, mainly due to receipts from customer of S\$35.0 million, partially offset by payment of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$9.3 million, payment of corporate income tax of S\$4.7 million, and disbursements made to the suppliers, directors and employees of S\$10.1 million.

Net cash flow generated from investing activities in 4Q2017 was S\$0.1 million, attributable to interest received of S\$3.4 million, partially offset by purchase of fixed assets and other non-current assets of S\$3.2 million.

Net cash flow used in financing activities in 4Q2017 was S\$10.9 million, attributable to repayment of bank loan of S\$49.8 million and payment of interest and finance cost of S\$7.1 million, partially offset by proceeds from the Acquisition Loan of S\$50.6 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.

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.

The Company is currently exploring certain fund-raising activities to strengthen its financial position and fund future growth of the Group. Such details will be furnished by the Company in due course.

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 4Q2017.

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 FY2017.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

14. Segmented revenue and result for business or geographical segments (of the group) on the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

Operating Segments (S\$'000)	BOT	Unallocated	Group
Profit or loss and reconciliations			
2017			
Total revenue	131,497	520	132,017
Profit / (Loss) before tax from continuing operations	31,700	(17,660)	14,040
Income tax expense			(6,377)
Profit from continuing operations			<u>7,663</u>
2016 (Restated)			
Total revenue	27,433	-	27,433
Profit / (Loss) before tax from continuing operations	5,570	(634)	4,936
Income tax expense			(1,696)
Profit from continuing operations			<u>3,240</u>
Assets and Liabilities and reconciliations			
2017			
Total assets for reportable segments	563,198	-	563,198
Unallocated	-	37,684	37,684
Total assets			<u>600,882</u>
Total liabilities for reportable segments	(120,730)	-	(120,730)
Unallocated	-	(360,388)	(360,388)
Total liabilities			<u>(481,118)</u>
2016			
Total assets for reportable segments	77,764	-	77,764
Unallocated	-	62,876	62,876
Total assets			<u>140,640</u>
Total liabilities for reportable segments	(12,669)	-	(12,669)
Unallocated	-	(464)	(464)
Total liabilities			<u>13,133</u>
Operating Segments (S\$'000)			
	BOT	Unallocated	Group
Other material items and reconciliations			
2017			
Capital expenditure	11,748	-	11,748
Depreciation of plant and equipment	2,353	406	2,759
2016 (Restated)			
Capital expenditure	954	-	954
Depreciation of plant and equipment	156	18	174

Geographical Information

	Revenue		Non-current assets	
	FY2017 S\$'000	FY2016 S\$'000	FY2017 S\$'000	FY2016 S\$'000
Indonesia	132,017	27,433	445,731	69,734
Singapore	-	-	62	3
Total	<u>132,017</u>	<u>27,433</u>	<u>445,793</u>	<u>69,737</u>

The Group operated predominantly in Indonesia where revenue and non-current assets were derived and located, respectively.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8 above.

16. A breakdown of sales

<u>(S\$'000)</u>	Group FY2017	Group FY2016	Increase / (decrease) %
(a) Revenue for first half year (1 January to 30 June)	28,428	6,983	307
(b) Net (loss) / profit for the first half year (1 January to 30 June)	2,491	(292)	Not meaningful
(c) Revenue for second half year (1 July to 31 December)	103,589	20,450	407
(d) Net profit for the second half year (1 July to 31 December)	5,172	3,532	46

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

<u>S\$'000</u>	<u>FY2017</u>	<u>FY2016</u>
Ordinary	-	-
Preference	-	-
Total	<u>-</u>	<u>-</u>

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

19. 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 13 Nov 2017 (S\$'million)	Net proceeds utilised from 13 Nov 2017 up to 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	26.40	-	-
General corporate and working capital requirements	2.85	2.62	0.23 ⁽¹⁾	-
Total	29.25	29.02	0.23	-

Note:

(1) Comprised payments of staff costs of S\$0.11 million, office expenses of S\$0.03 million and general administrative expenses of S\$0.09 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 13 Nov 2017 (S\$'million)	Net proceeds utilised from 13 Nov 2017 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	5.98	3.06	23.54
Expansion through acquisitions, joint ventures and/or strategic partnerships	15.04	5.45	9.59	-
General corporate and working capital requirements of the Group	2.51	-	0.23 ⁽²⁾	2.28
Total	50.13	11.43	12.88	25.82

Note:

(2) Comprised payments of staff costs of S\$0.11 million, office expenses of S\$0.02 million and general administrative expenses of S\$0.10 million.

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.

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

The Company confirms that it has procured all the required undertakings from 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

28 February 2018