



Moya Holdings Asia Limited

**MOYA HOLDINGS ASIA LIMITED**

Registration number: 201301085G

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**Unaudited Financial Statements and Dividend Announcement  
For The Second Quarter and Six-Month Financial Period Ended 30 June 2018**

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*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 SECOND QUARTER (“2Q”) AND SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 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 30.06.2018	Unaudited 3 months ended 30.06.2017	Change + / (-)	Unaudited 6 months ended 30.06.2018	Unaudited 6 months ended 30.06.2017	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	48,560	21,068 <sup>(1)</sup>	130	93,626	33,314 <sup>(1)</sup>	181
Cost of sales	(25,508)	(12,313)	107	(51,425)	(21,315)	141
<b>Gross profit</b>	<b>23,052</b>	<b>8,755</b>	163	<b>42,201</b>	<b>11,999</b>	252
<b>Other items of income:</b>						
Interest income	919	649 <sup>(1)</sup>	42	1,688	820 <sup>(1)</sup>	106
<b>Other items of expenses:</b>						
Administrative expenses	(9,485)	(3,914)	142	(17,850)	(5,098)	250
Finance cost	(9,826)	(1,679)	485	(18,983)	(1,797)	956
Other expenses	(238)	(1,628)	(85)	(386)	(1,685)	(77)
Other gains / (losses)	6,398	(46)	N.M	16,545	(254)	N.M
<b>Profit before tax</b>	<b>10,820</b>	<b>2,137</b>	406	<b>23,215</b>	<b>3,985</b>	483
Income tax expense	(3,597)	(1,003)	259	(7,192)	(1,494)	381
<b>Profit net after tax</b>	<b>7,223</b>	<b>1,134</b>	537	<b>16,023</b>	<b>2,491</b>	543
<b>Other comprehensive loss:</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
Re-measurements of defined benefit pension plans, net of tax	822	-	N.M	1,006	-	N.M
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Exchange differences on translating foreign operations, net of tax	(4,613)	(498)	826	(10,723)	(2,360)	354
<b>Other comprehensive loss for the financial period, net of tax</b>	<b>(3,791)</b>	<b>(498)</b>	661	<b>(9,717)</b>	<b>(2,360)</b>	312
<b>Total comprehensive income for the financial period</b>	<b>3,432</b>	<b>636</b>	440	<b>6,306</b>	<b>131</b>	N.M

N.M – not meaningful

Note:

- (1) Finance income under service concession arrangements in the three and six-month financial periods ended 30 June 2017 had been reclassified to revenue to conform to the presentation of the respective comparable financial information for the three and six-month financial periods ended 30 June 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 30.06.2018	Unaudited 3 months ended 30.06.2017	Change + / (-)	Unaudited 6 months ended 30.06.2018	Unaudited 6 months ended 30.06.2017	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
<b>Profit attributable to:</b>						
Owners of the Parent	7,215	1,160	522	15,973	2,487	542
Non-controlling interests	8	(26)	N.M	50	4	N.M
<b>Profit net of tax</b>	<b>7,223</b>	<b>1,134</b>	537	<b>16,023</b>	<b>2,491</b>	543
<b>Total comprehensive income attributable to:</b>						
Owners of the Parent	3,424	687	398	6,256	165	N.M
Non-controlling interests	8	(51)	N.M	50	(34)	N.M
<b>Total comprehensive income</b>	<b>3,432</b>	<b>636</b>	439	<b>6,306</b>	<b>131</b>	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 30.06.2018	Unaudited 3 months ended 30.06.2017	Change + / (-)	Unaudited 6 months ended 30.06.2018	Unaudited 6 months ended 30.06.2017	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Sale of water and related services <sup>(1)</sup>	36,035	11,359	217	69,103	13,101	427
Service concession construction revenue <sup>(1)</sup>	6,764	7,056	(4)	14,243	15,100	(6)
Other revenue <sup>(1)</sup>	1,153	227	408	2,532	227	N.M
Finance income under service concession arrangements <sup>(1)(2)</sup>	4,608	2,426	90	7,748	4,886	59
Depreciation of property, plant and equipment <sup>(4)</sup>	(1,211)	(176)	588	(2,389)	(246)	871
Amortisation of intangible assets <sup>(4)</sup>	(6,392)	(1,225)	422	(12,721)	(1,225)	938
Allowance for doubtful debts <sup>(5)</sup>	(475)	(168)	183	(879)	(168)	423
Interest on borrowings	(9,826)	(1,679)	485	(18,983)	(1,797)	956
Net foreign exchange adjustment gain / (losses) <sup>(3)</sup>	6,047	(29)	N.M	13,584	(254)	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) Classified as other gain / (losses) in consolidated statement of profit or loss and other comprehensive income.
- (4) The increase in depreciation and amortization charges in the respective financial periods in 2018 as compared to their corresponding financial periods in 2017 was mainly due to the inclusion of such charges of the Acuatico Group in the respective financial periods in 2018 as compared to only one-month inclusion of such charges of the Acuatico Group in the respective financial periods in 2017.
- (5) The increase was mainly due to the inclusion of allowance of doubtful debts of the Acuatico Group in the respective financial periods in 2018 as compared to only one-month inclusion of the allowance of doubtful debts of the Acuatico Group in the respective financial periods in 2017.

**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 30.06.2018	Audited 31.12.2017	Unaudited 30.06.2018	Audited 31.12.2017
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
<b>Assets</b>				
<b>Non-current assets</b>				
Plant and equipment	24,007	24,440	88	62
Investments in subsidiaries	-	-	113,700	114,656
Financial assets arising from service concession arrangements, non-current	100,891	89,429	-	-
Intangible assets	254,647	264,398	-	-
Goodwill	62,179	62,179	-	-
Deferred tax assets	5,595	5,347	-	-
<b>Total non-current assets</b>	<b>447,319</b>	<b>445,793</b>	<b>113,788</b>	<b>114,718</b>
<b>Current assets</b>				
Inventories	5,956	4,228	-	-
Financial assets arising from service concession arrangements, current	5,062	6,081	-	-
Trade and other receivables	41,847	43,246	95	78
Restricted cash in banks	9,933	4,613	-	-
Cash and cash equivalents	59,940	96,921	49	66
<b>Total current assets</b>	<b>122,738</b>	<b>155,089</b>	<b>144</b>	<b>144</b>
<b>Total assets</b>	<b>570,057</b>	<b>600,882</b>	<b>113,932</b>	<b>114,862</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	120,595	120,595	120,595	120,595
Capital reserve <sup>(1)</sup>	5,826	5,826	-	-
Share option reserve	591	591	591	591
Foreign currency translation reserve	(24,273)	(13,550)	-	-
Retained earnings / (Accumulated losses)	22,671	5,692	(7,406)	(6,632)
Equity, attributable to owners of the parent	<b>125,410</b>	<b>119,154</b>	<b>113,780</b>	<b>114,554</b>
Non-controlling interests	660	610	-	-
<b>Total equity</b>	<b>126,070</b>	<b>119,764</b>	<b>113,780</b>	<b>114,554</b>
<b>Non-current liabilities</b>				
Provisions, non-current	13,132	14,234	-	-
Provision arising from service concession, non-current	8,078	11,246	-	-
Borrowings, non-current	249,770	25,626	-	-
Deferred tax liabilities	39,990	38,705	-	-
<b>Total non-current liabilities</b>	<b>310,970</b>	<b>89,811</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Provision arising from service concession, current	2,914	615	-	-
Borrowings, current	104,638	364,093	-	-
Trade and other payables, current	25,465	26,599	152	308
<b>Total current liabilities</b>	<b>133,017</b>	<b>391,307</b>	<b>152</b>	<b>308</b>
<b>Total liabilities</b>	<b>443,987</b>	<b>481,118</b>	<b>152</b>	<b>308</b>
<b>Total equity and liabilities</b>	<b>570,057</b>	<b>600,882</b>	<b>113,932</b>	<b>114,862</b>

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

<b>As at 30 June 2018 (S\$'000)</b>		<b>As at 31 December 2017 (S\$'000)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
104,638	-	364,093	-

Amount repayable after one year

<b>As at 30 June 2018 (S\$'000)</b>		<b>As at 31 December 2017 (S\$'000)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
249,770	-	25,626	-

**Details of any collateral**

Collateral as at 30 June 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;
- Corporate guarantee from the Company and a subsidiary of the Company; and
- 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**

<b>(S\$'000)</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>3 months ended</b>	<b>3 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30.06.2018</b>	<b>30.06.2017</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
<b>Cash flows from operating activities</b>				
Receipts from customers	36,501	14,685	75,525	16,836
Payments to suppliers, directors and employees	(22,024)	(14,853)	(44,928)	(17,306)
Payments of corporate income tax	(4,277)	(1,261)	(6,551)	(1,656)
Payments of construction costs	(6,703)	(6,643)	(14,654)	(13,114)
<b>Net cash flows from / (used in) operating activities</b>	<b>3,497</b>	<b>(8,072)</b>	<b>9,392</b>	<b>(15,240)</b>
<b>Cash flows from investing activities</b>				
Acquisitions of fixed assets and other non-current assets	(1,342)	(245)	(3,172)	(341)
Receipts of interest	531	303	962	479
Acquisition of subsidiaries (net of cash acquired)	-	(95,993)	-	(95,993)
<b>Net cash flows (used in) investing activities</b>	<b>(811)</b>	<b>(95,935)</b>	<b>(2,210)</b>	<b>(95,855)</b>
<b>Cash flows from financing activities</b>				
Payments of interest and finance cost	(8,169)	(349)	(20,468)	(349)
Increase in restricted cash in banks	(2,236)	8	(5,835)	8
Proceeds from bank loan	-	358,581	292,637	358,581
Repayments of bank loan	(8,923)	(210,864)	(312,816)	(211,017)
(Payment) of Related Parties	-	(3,587)	-	(3,587)
<b>Net cash flows (used in) / from financing activities</b>	<b>(19,328)</b>	<b>143,789</b>	<b>(46,482)</b>	<b>143,636</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(16,642)</b>	<b>39,782</b>	<b>(39,300)</b>	<b>32,541</b>
Cash and cash equivalents, statement of cash flows, beginning balance	75,409	54,882	96,921	63,071
Net effects of exchange rate changes	1,173	(337)	2,319	(1,285)
<b>Cash and cash equivalents, statement of cash flows, closing balance</b>	<b>59,940</b>	<b>94,327</b>	<b>59,940</b>	<b>94,327</b>

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 <sup>(1)</sup> (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)
<b>At 1 April 2017</b>	120,595	5,826	591	(5,253)	269	122,028	454	122,482
Correction of prior period <sup>(2)</sup>	-	-	-	5,230	(809)	4,421	99	4,520
<b>At 1 April 2017 (restated)</b>	120,595	5,826	591	(23)	(540)	126,449	553	127,002
Profit for the financial period	-	-	-	-	1,160	1,160	(26)	1,134
<b>Other comprehensive loss</b>								
Foreign currency translation differences of foreign operations	-	-	-	(473)	-	(473)	(25)	(498)
<b>Total comprehensive income for the financial period</b>	-	-	-	(473)	1,160	687	(51)	636
<b>At 30 June 2017</b>	120,595	5,826	591	(496)	620	127,136	502	127,638
<b>At 1 April 2018</b>	120,595	5,826	591	(19,660)	14,634	121,986	652	122,638
Profit for the financial period	-	-	-	-	7,215	7,215	8	7,223
<b>Other comprehensive loss</b>								
Foreign currency translation differences of foreign operations	-	-	-	(4,613)	-	(4,613)	-	(4,613)
Remeasurement of defined benefit pension plans, net of tax	-	-	-	-	822	822	-	822
<b>Total comprehensive income for the financial period</b>	-	-	-	(4,613)	8,037	3,424	8	3,432
<b>At 30 June 2018</b>	120,595	5,826	591	(24,273)	22,671	125,410	660	126,070

**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 01.04.2017 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 01.04.2017.

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 <sup>(1)</sup> (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)
<b>At 1 January 2017</b>	120,595	5,826	591	(3,404)	(1,058)	122,550	437	122,987
Correction of prior period <sup>(2)</sup>	-	-	-	5,230	(809)	4,421	99	4,520
<b>At 1 January 2017 (restated)</b>	120,595	5,826	591	1,826	(1,867)	126,971	536	127,507
Profit for the financial period	-	-	-	-	2,487	2,487	4	2,491
<b>Other comprehensive loss</b>								
Foreign currency translation differences of foreign operations	-	-	-	(2,322)	-	(2,322)	(38)	(2,360)
<b>Total comprehensive loss for the financial period</b>	-	-	-	(2,322)	2,487	165	(34)	131
<b>At 30 June 2017</b>	120,595	5,826	591	(496)	620	127,136	502	127,638
<b>At 1 January 2018</b>	120,595	5,826	591	(13,550)	5,692	119,154	610	119,764
Profit for the financial period	-	-	-	-	15,973	15,973	50	16,023
<b>Other comprehensive loss</b>								
Foreign currency translation differences of foreign operations	-	-	-	(10,723)	-	(10,723)	-	(10,723)
Remeasurement of defined benefit pension plans, net of tax	-	-	-	-	1,006	1,006	-	1,006
<b>Total comprehensive income for the financial period</b>	-	-	-	(10,723)	16,979	6,256	50	6,306
<b>At 30 June 2018</b>	120,595	5,826	591	(24,273)	22,671	125,410	660	126,070

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)
<b>At 1 April 2017</b>	120,595	591	(5,275)	115,911
Loss and total comprehensive loss for the financial period	-	-	(599)	(599)
<b>At 30 June 2017</b>	120,595	591	(5,874)	115,312
<b>At 1 April 2018</b>	120,595	591	(7,030)	114,156
Loss and total comprehensive loss for the financial period	-	-	(376)	(376)
<b>At 30 June 2018</b>	120,595	591	(7,406)	113,780

Company	Share capital (S\$'000)	Share option reserve (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
<b>At 1 January 2017</b>	120,595	591	(5,275)	115,911
Loss and total comprehensive loss for the financial period	-	-	(599)	(599)
<b>At 30 June 2017</b>	120,595	591	(5,874)	115,312
<b>At 1 January 2018</b>	120,595	591	(6,632)	114,554
Loss and total comprehensive loss for the financial period	-	-	(774)	(774)
<b>At 30 June 2018</b>	120,595	591	(7,406)	113,780

**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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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**

Issued share capital	Number of shares	Share capital (S\$'000)
As at 31 March 2018 and 30 June 2018	2,800,923,962	120,595

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

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

Save as disclosed, there were no other outstanding convertibles or treasury shares as at 30 June 2018 and 30 June 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 June 2018 was 2,800,923,962 (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 June 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**

	<b>3 months ended 30.06.2018 (cents)</b>	<b>3 months ended 30.06.2017 (cents)</b>	<b>6 months ended 30.06.2018 (cents)</b>	<b>6 months ended 30.06.2017 (cents)</b>
Earnings per ordinary share based on - net profit attributable to equity holders (numerator), and - weighted average number of ordinary shares on issue (denominator)				
(i) On a basic basis; and	0.26	0.04	0.57	0.09
(ii) On a fully diluted basis	0.26	0.04	0.57	0.09
Weighted average number of ordinary shares in issue:				
- for the purpose of basic earnings per share	2,800,923,962	2,800,923,962	2,800,923,962	2,800,923,962
- for the purpose of diluted earnings per share	2,811,323,962	2,811,323,962	2,811,323,962	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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Net asset value per ordinary share based on issued share capital <sup>(1)</sup> (cents)	4.48	4.25	4.06	4.09

Note:

(1) Based on an issued share capital of 2,800,923,962 ordinary shares as at 30 June 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 (HY2018 vs HY2017)**

**8.1 (a) Revenue**

Revenue increased by S\$60.3 million, from S\$33.3 million for the six-month financial period ended 30 June 2017 ("**HY2017**") to S\$93.6 million for the six-month financial period ended 30 June 2018 ("**HY2018**"). The increase was mainly due to full six-month revenue contribution from the Acuatico Group in HY2018 as compared to only one-month revenue contribution in HY2017, and an increase of water sales in the Tangerang and Bekasi BOT projects in HY2018 as compared to HY2017.

**8.1 (b) Cost of Sales**

Cost of sales increased by S\$30.1 million, from S\$21.3 million in HY2017 to S\$51.4 million in HY2018. The increase was mainly due to full six-month recognition of cost of sales of the Acuatico Group in HY2018 as compared to only one-month recognition of cost of sales in HY2017.

**8.1 (c) Gross Profit**

Gross profit increased by S\$30.2 million, from S\$12.0 million in HY2017 to S\$42.2 million in HY2018, largely due to the gross profit contribution of the Acuatico Group of S\$27.2 million in HY2018. The Acuatico Group only contributed one-month water sales in HY2017 as compared to full six-month water sales contribution in HY2017.

Gross profit margin increased from 36.0% in HY2017 to 45.1% in HY2018. Gross profit margin from the water sales of the Acuatico Group is generally higher than the gross profit margin of the Tangerang and Bekasi BOT projects.

**8.1 (d) Interest Income**

Interest income increased by S\$0.9 million, from S\$0.8 million in HY2017 to S\$1.7 million in HY2018, mainly due to the interest income from the time deposit of the Acuatico Group.

**8.1 (e) Administrative Expenses**

Administrative expenses increased by S\$12.8 million, from S\$5.1 million in HY2017 to S\$17.9 million in HY2018. The increase was mainly due to the inclusion of full six-month administrative expenses of the Acuatico Group in HY2018 as compared to only one-month administrative expenses in HY2017, as well as

an increase in employee related expenses and professional services in the Tangerang and Bekasi BOT projects.

#### **8.1 (f) Finance Cost**

Finance cost increased by S\$17.2 million, from S\$1.8 million in HY2017 to S\$19.0 million in HY2018, mainly due to interest expenses of a new bank loan of IDR2.95 trillion (equivalent to S\$292.6 million) obtained in January 2018 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\$1.3 million, from S\$1.7 million in HY2017 to S\$0.4 million in HY2018. The expenses in HY2017 relate mainly to the acquisition-related expenses of S\$1.2 million incurred in HY2017 in connection with the Acuatico Acquisition. There was no such cost incurred in HY2018.

#### **8.1 (h) Other Gains / (Losses)**

The Group recorded other gains of S\$16.6 million in HY2018, as compared to other losses of S\$0.3 million in HY2017. Other gains in HY2018 relate to (i) a foreign exchange gain of S\$13.6 million arising from the appreciation of US Dollars (“**USD**”) against the Indonesia Rupiah (“**IDR**”) in HY2018; and (ii) write-back of provision for impairment of trade receivables in the Acuatico Group of S\$3.8 million due to recovery of receivables. The gain was partially offset by other expenses of S\$0.8 million.

#### **8.1 (i) Income Tax Expense**

Income tax expense increased by S\$5.7 million, from S\$1.5 million in HY2017 to S\$7.2 million in HY2018, mainly due to the inclusion of the Acuatico Group’s income tax expense in HY2018.

#### **8.1 (j) Profit, Net of Tax**

As a result of the above, the Group’s net profit increased by S\$13.5 million, from S\$2.5 million in HY2017 to S\$16.0 million in HY2018.

#### **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\$10.7 million in HY2018. This was mainly due to depreciation of IDR against SGD in HY2018. 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\$2.9 million.

### **8.2 Statement of Profit or Loss and Other Comprehensive Income (2Q2018 vs 2Q2017)**

#### **8.2 (a) Revenue**

Revenue increased by S\$27.5 million, from S\$21.1 million for the three-month financial period ended 30 June 2017 (“**2Q2017**”) to S\$48.6 million for the three-month financial period ended 30 June 2018 (“**2Q2018**”). The increase was mainly due to full three-month revenue contribution from the Acuatico Group in 2Q2018 as compared to only one-month revenue contribution in HY2017, and an increase of water sales in the Tangerang and Bekasi BOT projects in 2Q2018 as compared to 2Q2017.

#### **8.2 (b) Cost of Sales**

Cost of sales increased by S\$13.2 million, from S\$12.3 million in 2Q2017 to S\$25.5 million in 2Q2018. The increase was mainly due to full three-month recognition of cost of sales of the Acuatico Group in 2Q2018 as compared to only one-month recognition of cost of sales in HY2017.

### **8.2 (c) Gross Profit**

Gross profit increased by S\$14.3 million, from S\$8.8 million in 2Q2017 to S\$23.1 million in 2Q2018, largely due to the gross profit contribution of the Acuatico Group of S\$12.0 million in 2Q2018. The Acuatico Group only contributed to one-month water sales in 2Q2017, as compared to full three-month water sales contribution from the Acuatico Group in 2Q2018.

Gross profit margin increased from 41.6% in 2Q2017 to 47.5% in 2Q2018. Gross profit margin from the water sales of the Acuatico Group is generally higher than the gross profit margin of the Tangerang and Bekasi BOT projects.

### **8.2 (d) Interest Income**

Interest income increased by S\$0.3 million, from S\$0.6 million in 2Q2017 to S\$0.9 million in 2Q2018, mainly due to the interest income from the time deposit of the Acuatico Group.

### **8.2 (e) Administrative Expenses**

Administrative expenses increased by S\$5.6 million, from S\$3.9 million in 2Q2017 to S\$9.5 million in 2Q2018. The increase was mainly due to the inclusion of full three-month administrative expenses of the Acuatico Group in 2Q2018 as compared to only one-month administrative expenses in HY2017, as well as an increase in employee related expenses and professional services in the Tangerang and Bekasi BOT projects.

### **8.2 (f) Finance Cost**

Finance cost increased by S\$8.1 million, from S\$1.7 million in 2Q2017 to S\$9.8 million in 2Q2018, mainly due to interest expenses incurred in relation to the Acquisition Loan.

### **8.2 (g) Other Expenses**

Other expenses decreased by S\$1.4 million, from S\$1.6 million in 2Q2017 to S\$0.2 million in 2Q2018. The expenses in 2Q2017 relate mainly to the acquisition-related expenses in connection with the Acuatico Acquisition. There was no such cost incurred in 2Q2018.

### **8.2 (h) Other Gains / (Losses)**

The Group recorded other gains of S\$6.4 million in 2Q2018, as compared to other losses of S\$0.05 million in 2Q2017. Other gains in 2Q2018 relate mainly to (i) a foreign exchange gain of S\$6.0 million arising from the appreciation of USD against IDR in 2Q2018; and (ii) write-back of provision for impairment of trade receivables in the Acuatico Group of S\$0.6 million due to recovery of receivables. The gain was partially offset by other expenses of S\$0.2 million.

### **8.2 (i) Income Tax Expense**

Income tax expense increased by S\$2.6 million, from S\$1.0 million in 2Q2017 to S\$3.6 million in 2Q2018, mainly attributable to the inclusion of the Acuatico Group's income tax expense in 2Q2018.

### **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\$4.6 million in 2Q2018. This was mainly due to depreciation of IDR against SGD in 2Q2018. 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\$5.3 million.

### **8.3 Statement of Financial Position (30.06.2018 vs 31.12.2017)**

The Group's total equity increased by S\$6.3 million or 5%, from S\$119.8 million as at 31 December 2017 to S\$126.1 million as at 30 June 2018. The increase was mainly due to net profit of S\$16.0 million in HY2018, partially offset by loss in foreign currency translation reserve of S\$10.7 million in HY2018.

#### **8.3 (a) Non-current Assets**

The Group's non-current assets increased by S\$1.5 million or 0.3%, from S\$445.8 million as at 31 December 2017 to S\$447.3 million as at 30 June 2018. This was mainly due to increase in financial assets arising from service concession arrangement of S\$11.5 million, partially offset by amortization of intangible assets of S\$9.8 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 decreased by S\$32.4 million or 21%, from S\$155.1 million as at 31 December 2017 to S\$122.7 million as at 30 June 2018. This was mainly due to decrease in (i) cash and cash equivalents of S\$37.0 million; (ii) financial assets arising from service concession arrangements of S\$1.0 million; and (iii) trade and other receivables of S\$1.4 million. The aforementioned decreases were partially offset by increases in (i) inventories of S\$1.7 million; and (ii) restricted cash in banks of S\$5.3 million. Please refer to Section 8.4 of this announcement on the statement of cash flows for explanations on the decrease in cash and cash equivalents of the Group.

The increase in financial assets arising from service concession arrangements (current and non-current) of S\$10.5 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\$221.2 million or 246%, from S\$89.8 million as at 31 December 2017 to S\$311.0 million as at 30 June 2018. This was mainly due to new term loans of IDR2.95 trillion (equivalent to S\$292.6 million) obtained in January 2018, with maturity of 5 and 10 years ("**Syndicated Loans**") to refinance the Acquisition Loans which were short term in nature.

#### **8.3 (d) Current Liabilities**

The Group's current liabilities decreased by S\$258.3 million or 66%, from S\$391.3 million as at 31 December 2017 to S\$133.0 million as at 30 June 2018. This was mainly due to the repayment of (i) the Acquisition Loan of USD189.7 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 IDR157.16 billion (equivalent to 15.01 million) of an existing loan in HY2018.

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

The Group reported a negative working capital of S\$10.3 million as at 30 June 2018 as compared to a negative working capital of S\$236.2 million as at 31 December 2017, mainly due to the maturity of the net balance of the Acquisition Loan of S\$66.9 million. This was subsequently fully repaid in July 2018 with the proceeds from the rights issue exercise by the Company completed in July 2018.

### **8.4 Statement of Cash Flows (HY2018)**

Net cash flows from operating activities in HY2018 was S\$9.4 million, due to receipts from customers of S\$75.5 million, partially offset by payments of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$14.7 million, payment of corporate income tax of S\$6.6 million and payment to suppliers, directors and employees of S\$44.9 million.

Net cash flows used in investing activities in HY2018 was S\$2.2 million, due to purchase of fixed assets and other non-current assets of S\$3.2 million, partially offset by receipt of interest income from time deposit of S\$1.0 million.

Net cash flows used in financing activities in HY2018 was S\$46.5 million, attributable to repayment of bank

loans of S\$312.8 million, payment of interest and finance cost of S\$20.5 million and increase in restricted cash in banks of S\$5.8 million, partially offset by proceeds from the Syndicated Loans of S\$292.6 million.

### **8.5 Statement of Cash Flows (2Q2018)**

Net cash flows from operating activities in 2Q2018 was S\$3.5 million, due to receipts from customers of S\$36.5 million, partially offset by payments of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$6.7 million, payment of corporate income tax of S\$4.3 million and payment to suppliers, directors and employees of S\$22.0 million.

Net cash flows used in investing activities in 2Q2018 was S\$0.8 million, due to purchase of fixed assets and other non-current assets of S\$1.3 million, partially offset by receipt of interest income from time deposit of S\$0.5 million.

Net cash flows used in financing activities in 2Q2018 was S\$19.3 million, attributable to repayment of bank loans of S\$8.9 million, payment of interest and finance cost of S\$8.2 million and increase in restricted cash in banks of S\$2.2 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.

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 2Q2018.

**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 2Q2018 and HY2018.

**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 second quarter and six-month financial period ended 30 June 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 30 April 2018 (S\$'million)	Net proceeds utilised from 30 April 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	13.66	3.94	14.98
Expansion through acquisitions, joint ventures and/or strategic partnerships	15.04	15.04	-	-
General corporate and working capital requirements of the Group	2.51	0.63	0.31 <sup>(1)</sup>	1.57
<b>Total</b>	<b>50.13</b>	<b>29.33</b>	<b>4.25</b>	<b>16.55</b>

Note:

(1) Comprised payments of staff costs of S\$0.13 million, office expenses of S\$0.10 million and general administrative expenses of S\$0.08 million.



Rights Issue, completed in July 2018

Use of net proceeds	Allocation of net proceeds (as disclosed in the offer information statement dated 11 June 2018) (S\$million)	Net proceeds utilised 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 Acquisition Loan	68.00	64.46	3.54 <sup>(1)</sup>	-( <sup>(1)</sup> )
Continual expansion through acquisitions, joint ventures and/or strategic partnerships	50.00	-	50.00	50.00
Development of BOT Projects in bulk water supply and water supply concessions in Indonesia	13.00	-	13.00	16.54 <sup>(1)</sup>
General corporate and working capital requirements of the Group	1.04	-	1.04	1.04
<b>Total</b>	<b>132.04</b>	<b>64.46</b>	<b>67.58</b>	<b>67.58</b>

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.

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 August 2018