



# Purity

Beyond Expectation

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

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

# Contents

CORPORATE PROFILE	<b>1</b>
MESSAGE FROM CHAIRMAN & CEO	<b>3</b>
GROUP STRUCTURE	<b>7</b>
BOARD OF DIRECTORS	<b>9</b>
MANAGEMENT TEAM & KEY MANAGEMENT	<b>11</b>
OPERATING & FINANCIAL REVIEWS	<b>18</b>
CORPORATE GOVERNANCE REPORT	<b>30</b>
FINANCIAL STATEMENTS	<b>64</b>
SHAREHOLDINGS STATISTICS	<b>144</b>
NOTICE OF ANNUAL GENERAL MEETING	<b>148</b>
PROXY FORM	<b>156</b>
CORPORATE INFORMATION	<b>160</b>

# Corporate Profile



**Moya Holdings Asia Limited (“MHAL” or the “Company”, and together with its subsidiaries, the “Group”) is the provider of water to over 3.5 million people, connected to over 527,000 customers spread out mainly in the Greater Jakarta region.**

The Group is one of the largest water treatment companies in Indonesia with total installed water treatment capacity of approximately 14,000 liters per second (“lps”). It focuses on developing and operating water treatment facilities which include extraction and treatment of raw water, distribution and sale of treated water, collection of sale proceeds and customer services.

Currently, the Group has two concession arrangements and one bulk water provider project undertaken by its subsidiaries, namely PT Aetra Air Jakarta (“AAJ”), PT Aetra Air Tangerang (“AAT”), and PT Acuatico Air Indonesia (“AAI”). In addition, the Group has four Build-Operate-Transfer (“BOT”) projects under contract and development undertaken by its subsidiaries, namely PT Moya Bekasi Jaya (“MBJ”), PT Moya Tangerang (“MT”), PT Moya Makassar (“MM”) and PT Air Semarang Barat (“ASB”).

ASB, a subsidiary of AAJ, is our latest BOT project, won a public-private partnership tender for a 1,000 lps water treatment project located in West Semarang, Central Java. ASB entered into a cooperation agreement with Perusahaan Daerah Air Minum Tirta Moedal Semarang (“PDAM Semarang”), the municipal water company of Semarang City, in November 2018.

MHAL is committed to participate in the large potentials of water infrastructure related developments in Indonesia and establish itself as a leading water infrastructure company in Indonesia via organic and inorganic growth.

Finally, as part of its business development strategy, the Group has established Moya Energy Holdings Pte. Ltd. (“MEH”) and Moya Energy Asia Pte. Ltd. (“MEA”) in August 2018 and October 2018, respectively. These are subsidiaries of the Group that will be focusing on investment and development of renewable energy.



# Message from Chairman & CEO

## DEAR SHAREHOLDERS,

**On behalf of the board of directors (“Board”) of Moya Holdings Asia Limited (the “Company” or “Moya”, and together with its subsidiaries, the “Group”), we are pleased to present shareholders with the Company’s Annual Report for the financial year ended 31 December (“FY”) 2018.**

### Performance in FY2018

Notwithstanding the challenging environment, the Group has achieved a commendable performance in FY2018. The Group’s revenue increased by 43.4% to S\$189.3 million in FY2018. This was largely due to the recognition of the full 12 months revenue contribution from the Acuatico Group (comprising Acuatico Pte. Ltd. and its subsidiaries, namely, AAJ, AAT and AAI), as compared to only 7 months revenue contribution in FY2017, as well as an increase in water sales from Tangerang and Bekasi BOT projects.

We embarked on efficiency driven initiatives across all our operating companies and in improving our overall governance. This involved adopting new technologies, streamlining business processes and partial centralization of our supply chain. This has shown encouraging results, where the Group’s gross profit margin in FY2018 improved by 3.6 percentage points, from 41.5% in FY2017 to 45.1% in FY2018.

On the back of the strong growth in revenue and improved gross profit margin combined with a gain on foreign exchange, the Group recorded a net profit after tax of S\$25.2 million in FY2018, representing a significant increase of 229.4%, as compared to S\$7.7 million in FY2017.

In 2018, the Group achieved significant progress on both its BOT projects in Tangerang and Bekasi. PT Moya Tangerang (“MT”), a subsidiary of the Group, has installed ±503 kilometres (“km”) of total ±960 km pipe network as of 31 December 2018. Construction

of the remaining pipe network is expected to be completed by 2021. Upon completion of the pipe network installation, total water supply capacity of MT will increase gradually by ±200 lps every year to achieve full capacity of 2,000 lps by 2025. In addition, the uprating process to the Bekasi BOT project resulted in an increase in production capacity to 1,450 lps. In FY2018, the combined production of MT and PT Moya Bekasi Jaya (“MBJ”) increased by 30.5% to 46.1 million m<sup>3</sup>, from 35.3 million m<sup>3</sup> in FY2017.

### IDR Refinancing Loan

In January 2018, the Group obtained a syndicated bank loan of IDR3.175 trillion (equivalent to S\$314.7 million based on exchange rate of IDR10,088: S\$1.00) (the “Syndicated Loan”), of which, IDR2.95 trillion was used to repay loan for the acquisition of the Acuatico Group in June 2017 (the “Acquisition Loan”) and the remaining balance of IDR225 billion is reserved for working capital purpose.

### Key Developments in Bekasi and Tangerang BOT project

The Company, through its two operating BOT projects, under MBJ and MT, covers two districts in Bekasi regency area and 5 districts in Tangerang City area, respectively. In respect of the Bekasi BOT project, MBJ completed the construction of 2 x 2000 m<sup>3</sup> reservoir in Villa Mutiara, which helped boost sales volume by 30.8% to 25.6 million m<sup>3</sup>, from 19.5 million m<sup>3</sup> in FY2017. In addition, MBJ installed ±11.4 km of the 13.4 km transmission pipe, as of 31 December 2018. Lastly, MBJ is in the process of constructing a reservoir of 2000 m<sup>3</sup> in Kota Serang Baru, which it targets to complete by second quarter of 2019.

Apart from the above, in relation to the Tangerang BOT project, MT is in the process of completing the pipe network installation. In March 2018, MT entered into an expansion amendment to the BOT cooperation agreement with the municipal water company of Tangerang City, Perusahaan Daerah Air Minum Tirta Benteng Kota Tangerang to expand the water supply capacity to 2,000 lps (172,800 m<sup>3</sup>/day).

Currently, MT is in the process of constructing its new water treatment plant of 1,000 lps (86,400 m<sup>3</sup>/day) which it targets to complete by second half of 2020.

## Rights Issue

In July 2018, the Company completed a rights issue exercise ("Rights Issue") which was fully subscribed, and successfully raised net proceeds of approximately S\$132.0 million ("Net Proceeds"), of which S\$64.5 million had been used to repay the outstanding balance of the Acquisition Loan.

The Rights Issue enabled the Group to further strengthen its financial position, and puts the Company in a better position to fund future growth of the Group and bring more value to its shareholders via both organic and inorganic growth. Further, the Net Proceeds substantially beefed up the Group's war chest which will allow the Group to fuel its expansion via acquisitions, joint ventures or strategic partnerships.

The Company's two major shareholders, namely Tamaris Infrastructure Pte. Ltd. ("Tamaris Infrastructure") and GW Redwood Pte. Ltd. ("Gateway Partners Limited") raised their respective stakes in the Company to 72.8% (from 68.9%) and 13.2% (from 10.2%), through the Rights Issue. In particular, both Tamaris Infrastructure and Gateway Partners Limited fully subscribed for their respective entitlements under the Rights Issue. This demonstrates the strong confidence of our major shareholders in the future growth prospects of the Group.

## Tender Win

In November 2018, by leveraging on the Group's established track record and strong execution capability, the Group's subsidiary, AAJ together with its partner, PT Medco Infrastruktur Indonesia ("MII") clinched a BOT water supply system project (the "Semarang BOT Project") with a concession period of 25 years in West Semarang, Indonesia from PDAM Semarang, by signing a cooperation agreement.

A consortium, PT Air Semarang Barat ("ASB"), was formed between AAJ and MII, whereby each of them will own 75% and 25% interest in the Project respectively. MII which is principally engaged in trading and distribution of gas and clean water in Indonesia is a subsidiary of PT Medco Energi International Tbk, a company listed on the Indonesia Stock Exchange.

The Semarang BOT Project involves the design, finance, build, operate and maintainance of a new water treatment plant facility with production of up to 1,000 lps, transmission pipeline of up to ± 9.1 km, one main reservoir with capacity of 6,600 m<sup>3</sup>, and two distribution reservoirs with capacities of 2,700 m<sup>3</sup> and 5,200 m<sup>3</sup>. The construction will commence latest by 23 May 2019 and is expected to be completed within two years, barring unforeseen circumstances. The targeted commercial operation date is by 23 May 2021. Total investment cost of the Semarang BOT Project is expected to be IDR417 billion, which will be funded by ASB by way of external borrowings and equity. The Group expects the Semarang BOT Project to further expand and strengthen the Group's business in the water treatment industry in Indonesia.

## Establishment of new subsidiaries

The Company had established two new subsidiaries in Singapore in August and October 2018, namely MEH and MEA. Through these two subsidiaries, the Group intends to expand its business into the power generation business, mainly focusing on investment and development of renewable energy.

## Future plans

Our main focus would be to continue our efforts in implementing efficiency driven initiatives across our operating companies and to improve our overall governance. As the largest buyer of water infrastructure-related equipment and chemicals, we now have greater bargaining power in pricing, thus will be able to achieve higher cost savings for the Group.

# Message from Chairman & CEO (continued)

Apart from the above, we are reviewing AAJ's medium and long-term work plans, in consultation with Jakarta's municipal water company ("PAM JAYA") for new investments focusing on additional water supply and service improvements.

In addition, we will continue to look for opportunities domestically together with various local governments where we can add value and improve water services. This includes participating in government tenders and other "business-to-business" activities.

The Group is constantly on the lookout for strategic mergers and acquisitions opportunities to further strengthen our foothold in Indonesia as well as expanding our presence overseas. In addition, we will also continue to be active in seeking acquisition targets and operating assets to deliver greater value to the shareholders of the Company and to enhance the Group's profitability.

## Industry outlook

Though Indonesia's water resources account for almost 6% and 21% of the world's and Asia-Pacific region's total water resources respectively, only less than a third of Indonesia's population have access to piped water, while more than 70% of the 260 million population still rely on potentially contaminated sources and bottled or refilled water which are costly and more unsafe for consumption<sup>(1)</sup>. There is a huge demand for piped water in Indonesia and we believe that the Group is well-positioned to ride on this favourable trend by leveraging on the Group's established track record in the water industry.

In addition, the World Bank's board of directors have approved a new US\$100 million project to build pipe connections in Indonesia. This initiative is part of the National Urban Water Supply Project to support Indonesia's development through improved access to water sources and enhanced performance of water service providers in underserved urban areas<sup>(2)</sup>.

Indonesia's water sector presents huge growth potential as the government of Indonesia has set the goal of achieving universal access to water supply and sanitation by the end of 2019. The above initiative is part of a broader effort that will also combine national, provincial and local resources and the private sector's collaboration.

## Appreciation

We see huge potential in the Group that has yet to be unlocked given the progress we have achieved so far. This would not have been possible without the support of all stakeholders of the Group.

We would also like to take this opportunity to express our heartfelt gratitude to all of our shareholders and investors, staff, clients, business partners and associates for their continuous support and confidence in the Group.

**LOW CHAI CHONG**  
*Chairman*

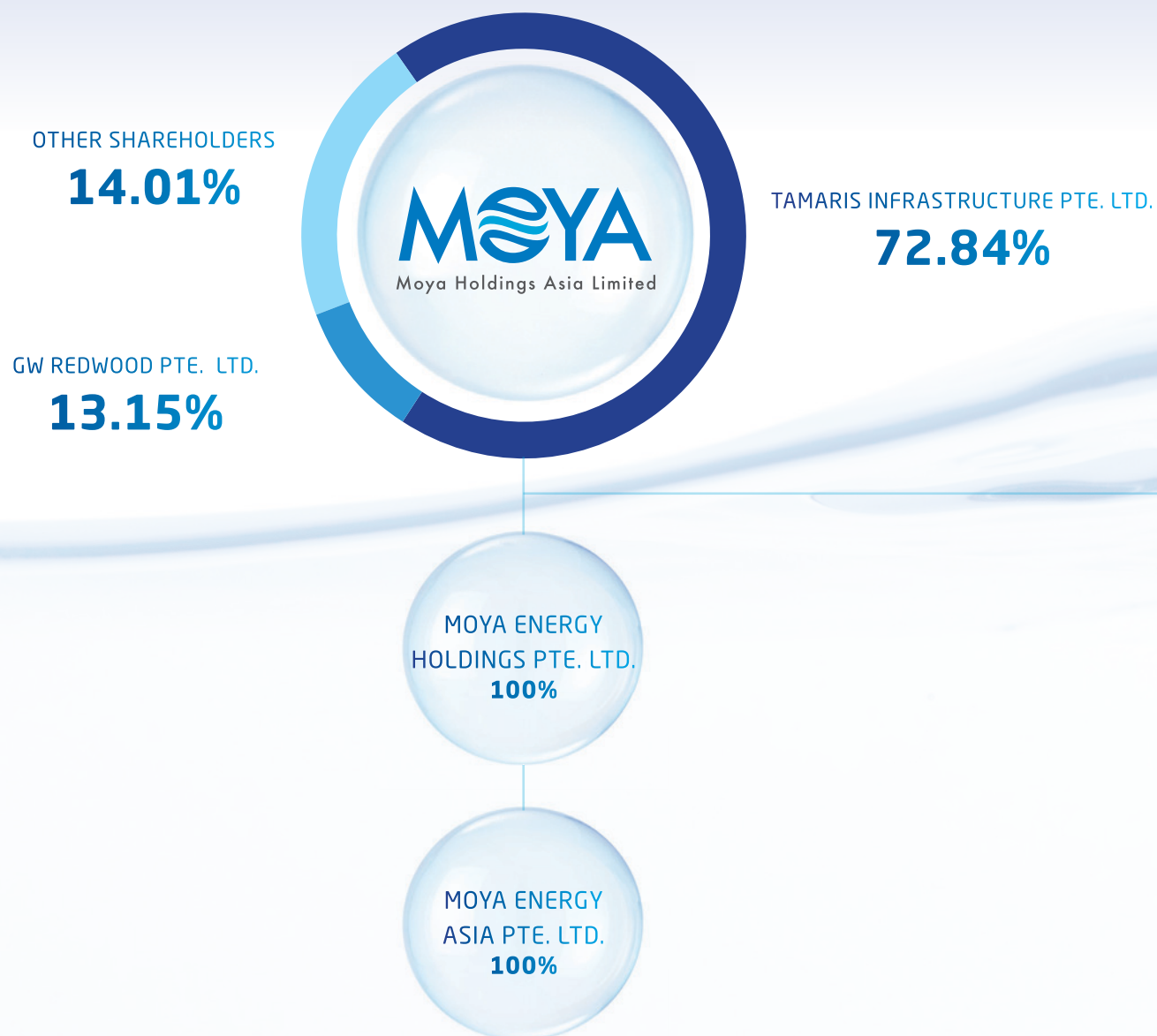
**MOHAMMAD SYAHRIAL**  
*Chief Executive Officer*

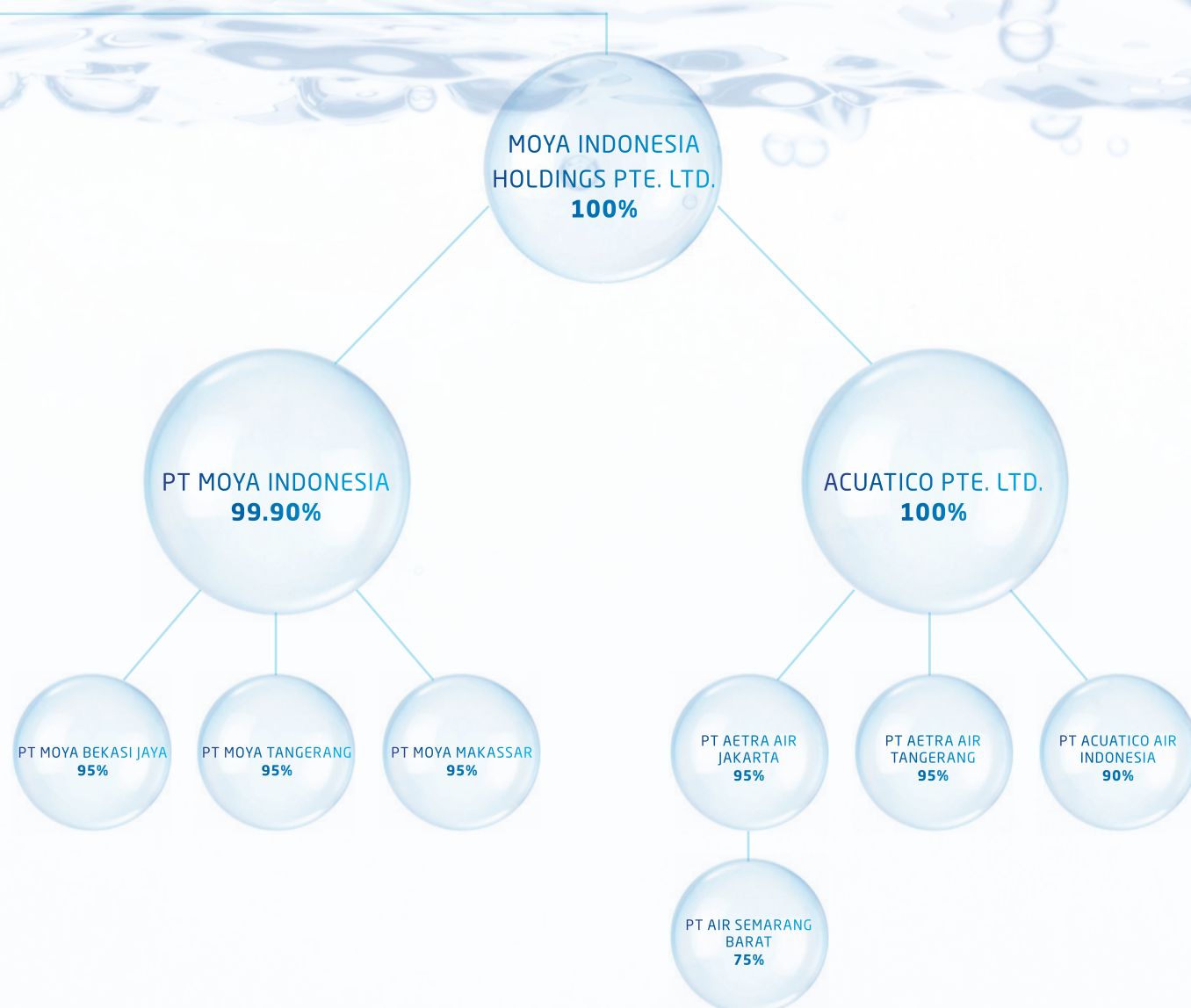
<sup>(1)</sup> Indonesia's growing water safety crisis, <https://www.asiasentinel.com/society/indonesia-growing-water-safety-crisis/>

<sup>(2)</sup> Six million Indonesians will gain access to water at home, <https://www.worldbank.org/en/news/press-release/2018/06/06/six-million-indonesians-will-gain-access-to-water-at-home>



# Group Structure





# Board of Directors



## LOW CHAI CHONG

- *Chairman of the Board, Non-Executive and Lead Independent Director of the Company*
- *Director of Moya Indonesia Holdings Pte. Ltd.*

Mr. Low is an advocate and solicitor of the Supreme Court of Singapore. He joined Dentons Rodyk & Davidson LLP in 1986, and has been with the same firm his entire career. He has many years of legal experience representing multinational corporations, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolutions. He is also an independent director of Pollux Properties Ltd and Ramba Energy Ltd, both of which are listed on the Singapore Exchange.

Mr. Low graduated with a Bachelor of Laws (Honours) degree from the National University of Singapore.



## MOHAMMAD SYAHRIAL

- *Chief Executive Officer of the Company*
- *Director of Moya Indonesia Holdings Pte. Ltd.*

Mr. Syahrial is responsible for leading the development and execution of the Group's strategies and business plans. He has over 25 years of experience in the Indonesian private and government sectors. He is currently the president director of PT Tamaris Hidro, a director of the Tamaris group of companies, the president commissioner of PT GMT Kapital Asia, and the commissioner of PT Wahana Insan Sejahtera. From 2004 to 2008, Mr. Syahrial was the president director of PT Perusahaan Pengelola Aset (Persero), a state-owned asset management company, and from 2002 to 2004, he was the deputy chairman of Indonesian Bank Restructuring Agency.

During the course of his career, Mr. Syahrial had been appointed as the commissioner of several banks, namely PT Bank Mandiri Tbk., PT Bank Niaga Tbk. and PT Bank Permata Tbk., and head of research for PT Pantasena Securities and IBJ Bank Indonesia.

Mr. Syahrial graduated with a Bachelor of Business Administration in 1988 from the Florida Atlantic University (USA) and received his Master of Business Administration from the Golden Gate University (USA) in 1989.



## IRWAN A. DINATA

- *Managing Director of the Company*
- *Director of Moya Indonesia Holdings Pte. Ltd.*
- *Director of Acuatico Pte. Ltd.*
- *President Director and Chief Executive Officer of PT Moya Indonesia*

Mr. Dinata is responsible for overseeing the Group's day-to-day operations as well as executing the Group's projects, strategic management and business development. He has 25 years of experience in the forestry, renewable energy and finance industry, in areas including fund management, banking, investment banking, multi-finance, treasury and financial advisory.

Mr. Dinata has served as a director and commissioner for numerous companies since 1998. He is currently the president director of PT GMT Kapital Asia and commissioner of PT Tamaris Hidro. Mr. Dinata graduated with a Bachelor of Arts in Finance from the University of Washington (USA) and completed his Master of Business Administration from the Santa Clara University (USA).



## HWANG KIN SOON IGNATIUS

- *Non-Executive and Independent Director of the Company*
- *Director of Moya Indonesia Holdings Pte. Ltd.*
- *Director of Moya Energy Holdings Pte. Ltd.*
- *Director of Moya Energy Asia Pte. Ltd.*

Mr. Hwang is the managing partner of the Singapore office of Squire Patton Boggs LLP, an international law firm. Prior to joining Squire Patton Boggs LLP, he managed the Singapore office of a US law firm, and prior to that, he was a partner with an Australian law firm. He also held various in-house counsel and law firm positions during the early stages of his career.

Mr. Hwang has more than two decades of international experience as an energy, infrastructure and resources lawyer. He has been involved in major transactions and projects in Asia-Pacific, Africa, Middle-East, United States and Australia. He advises government, sponsors, contractors, operators and financiers. In Singapore, he is particularly known for his significant involvement in public-private partnership projects.

Mr. Hwang graduated from the National University of Singapore with a Bachelor of Laws degree.



## SIMON A. MELHEM

- *Non-Executive and Non-Independent Director of the Company*
- *Director of Moya Indonesia Holdings Pte. Ltd.*
- *Director of Acuatico Pte. Ltd.*

Mr. Melhem has over 25 years of experience in international infrastructure projects as well as mergers and acquisition transactions. Mr. Melhem was re-designated from Executive Director to Non-Executive Director of the Company on 7 March 2019. Prior to joining the Company, he was the chief executive officer of Dynowatt, LP, a retail electric utility that he established in Texas. Mr. Melhem also worked in various senior roles at El Paso Corporation in Houston, London and Southeast Asia.

Mr. Melhem earned his Master of Business Administration from the University of Southern California in Los Angeles and his Master of Science in Engineering Management and Bachelor of Science in Industrial Engineering from Northeastern University in Boston (USA).

## A group portrait of seven individuals, six men and one woman, posed for a formal photograph against a plain white background. The group is arranged in two rows. In the back row, five men stand from left to right, each wearing a different patterned batik shirt. In the front row, two people are seated on light-colored wooden stools. The man on the left is wearing a batik shirt with a prominent bird motif and dark trousers. The woman on the right is wearing a purple long-sleeved top and a dark skirt. The man on the far right of the back row is wearing a brown batik shirt. The overall composition is professional and formal.



# Key Management

## DARMASEN ANWAR

- Chief Financial Officer of the Company
- Director of Moya Energy Holdings Pte. Ltd.

- Director of Moya Energy Asia Pte. Ltd.
- Director of PT Moya Indonesia

Mr. Anwar serves as the chief financial officer of PT Moya Indonesia since April 2015 and was subsequently appointed as the Chief Financial Officer of the Company in October 2016. He is responsible for managing the Group's financials, investor relationship, strategic planning and business development.

Mr. Anwar has more than 15 years of experience in the financial industry with areas including corporate finance, investment banking and financial advisory. Mr. Anwar graduated with a Bachelor of Mechanical Engineering Degree from the Bandung Institute of Technology.

## MOHAMAD SELIM

- Chief Executive Officer of Moya Indonesia Holdings Pte. Ltd.

Mr. Selim serves as the chief executive officer of Moya Indonesia Holdings Pte. Ltd. starting from November 2017. He is responsible for managing the operations and projects of Moya Indonesia Holdings Pte. Ltd and its subsidiaries in Indonesia.

Previously, Mr. Selim was the president director of PT Aetra Air Jakarta from 2011 to 2018. Before that, he was the president director of PDAM Surya Sembada Surabaya (municipal water company in Surabaya, East Java) from 2006 to 2010. Prior to

joining the Company, he had worked for various companies, including PT Airproducts Indonesia, ARCO Oil & Gas Indonesia and PT Badak NGL Co Bontang.

Mr. Selim graduated with a Bachelor of Engineering majoring in Chemical Engineering from the Institute Technology Sepuluh Surabaya (ITS Surabaya).

## HARJANTO KURNIADY TJANDRA

- Chief Financial Officer of Moya Indonesia Holdings Pte. Ltd.
- Chief Financial Officer of PT Moya Indonesia

- Director of Moya Energy Holdings Pte. Ltd.
- Director of Moya Energy Asia Pte. Ltd.

Mr. Tjandra serves as the chief financial officer of Moya Indonesia Holdings Pte. Ltd. and PT Moya Indonesia since January 2018 and is responsible for the overall accounting and finance functions of Moya Indonesia Holdings Pte. Ltd. and its subsidiaries, including treasury, corporate development, investor relations and risk management.

He has 25 years of experiences in the field of auditing, accounting, corporate finance, corporate

restructuring and operations in various industry. Previously, he served as commissioner of PT Bali Towerindo Sentra Tbk, chief financial officer of PT Infrastruktur Bisnis Sejahtera, chief executive officer of PT Mega Resources Investment.

Mr. Tjandra graduated with a Bachelor of Economic majoring in Accounting from Tarumanagara University. He also attended the Executive Education Program in Strategic Management at the Harvard Business School.

## IVY SANTOSO

- Chief Executive Officer of Acuatico Pte. Ltd.
- President Director of PT Acuatico Air Indonesia

Ms. Santoso serves as the chief executive officer of Acuatico Pte. Ltd. and the president director of PT Acuatico Air Indonesia since June 2017 and is responsible for providing overall directions, leadership and strategic management for Acuatico Pte. Ltd. and its subsidiaries (the “Acuatico Group”).

Previously, Ms. Santoso was the Indonesian country manager for Avenue Capital Asian Funds, Indonesian country manager and advisor for Actis Capital Partner and president director of Bank Pundi Indonesia Tbk.

Ms. Santoso graduated with a Bachelor of Science in Accounting from Oklahoma State University.

## L . BANO RANGKUTY

- Chief Financial Officer of Acuatico Pte. Ltd.
- Vice President Director of PT Aetra Air Jakarta

Mr. Rangkuty serves as the vice president director of PT Aetra Air Jakarta since January 2012, after serving as its commissioner from October 2010, and chief financial officer of Acuatico Pte. Ltd. since June 2017, and is responsible for the financial aspects of the Acuatico Group

than 10 years of experience in financial advisory service at KPMG Siddharta Consulting, in the field of debt restructuring, pre-lending reviews, financial projections and annual budget reviews, monitoring accountant assignments and due diligence reviews.

Previously, Mr. Rangkuty was the head of strategic planning at PT Bakrie & Brothers Tbk and PT Bakrie Indo Infrastructure, and had more

Mr. Rangkuty graduated with a Bachelor of Business Administration from University of Indonesia.

## TRI HERUTANTOYO

- Chief Legal Compliance Officer of Acuatico Pte. Ltd.
- Director and Chief Administration Officer of PT Moya Indonesia

Mr. Herutantoyo serves as the director and chief administration officer of PT Moya Indonesia since April 2015 and is responsible for managing the Group’s relationship with the Indonesian government, social issues, legal and corporate secretary, and general administration of PT Moya Indonesia and its subsidiaries.

Agency, where he was responsible for analyzing various company financial reports and identifying irregularities on financial transactions. He worked for PT Perusahaan Pengelola Aset from 2004 to 2014 and was appointed as the director of human resources and general affair from 2009 onwards.

Mr. Herutantoyo started his career with the financial and development supervisory agency in various auditors’ roles from 1979 to 1999. From 2000 to 2004, he worked at Indonesian Bank Restructuring

Mr. Herutantoyo graduated with a Master of Business Administration from the Cleveland States University, USA.

# Key Management

## JOEDI HERIJANTO

- *Director and Chief Operating Officer of PT Moya Indonesia*
- *Director of PT Moya Bekasi Jaya*

Mr. Herijanto serves as the director and chief operating officer of PT Moya Indonesia since August 2015. He is also a director of PT Moya Bekasi Jaya and is responsible for the operations of water treatment plants in PT Moya Indonesia and its subsidiaries. Prior to joining PT Moya Indonesia, he worked for a number of water organizations as an international consultant for the World Bank and Indonesia local government water authorities (PDAM) on strategy, managing

water treatment operations, distribution and training. He has more than 25 years of experience in urban water treatment and supply.

Mr. Herijanto graduated with a Bachelor degree in Environmental Engineering from Bandung Institute of Technology and completed his Masters degree in Sanitary Engineering at the Institute for Infrastructure, Hydraulics and Environmental Engineering in Delft, Netherlands.

## EDY HARI SASONO

- *President Director of PT Aetra Air Jakarta*

Mr. Sasono served as the president director of PT Aetra Air Tangerang from September 2016 to 2018 and is responsible for the establishment of PT Aetra Air Tangerang in compliance of both stakeholder and shareholder requirements. In January 2019, Mr. Sasono was appointed as the president director of PT Aetra Air Jakarta.

Mr. Sasono has 30 years of experience in water treatment supply system development, and is involved in the planning, supervision, construction, and operation of water treatment supply system development, from small to large scale project like the operational of PT Thames PAM JAYA Jakarta's water distribution system. He is also experienced in conducting negotiation and the preparation of

"Business-to-Business" cooperation between private company (Thames Water International Pte. Ltd., UK) and PAM JAYA, as well as public-private partnership between PT Acuatico Air Indonesia and Tangerang Regency Government in developing water treatment supply and service system.

Mr. Sasono graduated with a Bachelor of Engineering, majoring in Civil Engineering from the Institute of Technology Surabaya in 1986 and completed his Masters degrees in Finance Management and Project Management from the Management School of Graduate – IPWI and Tarumanagara University, respectively.

## LINTONG HUTASOIT G.

• Director of PT Aetra Air Jakarta

Mr. Hutasoit serves as the director of operations of PT Aetra Air Jakarta since June 2010 after serving as a senior manager of infrastructure of the Acuatico Group. He is responsible for the day-to-day operation in PT Aetra Air Jakarta, including to ensure sustainable and sufficient raw water and production water, ensure the accuracy of the water metering system and a safe and healthy working environment. He also serves as an external customer communication and spokesperson of PT Aetra Air Jakarta.

He has more than 30 years of experience in the water industry, spending most of his career in PAM JAYA. He graduated with a Bachelor of Engineering majoring in Environmental Engineering from the Bandung Institute of Technology in 1988.

## HARI YUDHA HUTOMO

• President Director of PT Aetra Air Tangerang

Mr. Hutomo served as the director of planning and development of PT Aetra Air Jakarta from January 2013 to 2018 and was responsible for corporate planning, performance, investment and asset/infrastructure development. In January 2019, Mr. Hutomo was appointed as the president director of PT Aetra Air Tangerang.

He started his career in the piped water industry since 1994 (PAM JAYA System Improvement

Project) and had served as general manager of Aetra's Central SBU and North SBU, and also as the director of engineering at two water supply companies in Hanoi, Vietnam (Viwaco and Viwasupco) for two years.

Mr. Hutomo graduated with a Bachelor of Engineering from Sapta Taruna College of Technology, majoring in Environmental Engineering.

## OKTA ISMOJO S.

• Director of PT Aetra Air Tangerang

Mr. Ismojo serves as the director of PT Aetra Air Tangerang since October 2018 and is responsible for managing the production and distribution of water supply to customers as well as the commercial issues in PT Aetra Air Tangerang service areas, ensuring the excellence in water quality in order to fulfill customer requirements.

Prior to his appointment as the director of PT Aetra Air Tangerang, Mr. Ismojo served at PT Aetra Air Jakarta from May 1999 to September 2018 in two

departments, namely the commercial business unit and the finance department as a treasurer. Mr. Ismojo has 4 years of experience in financial industry with areas including finance, accounting, corporate finance and project finance.

Mr. Ismojo graduated with a Bachelor of Science from Udayana University, majoring in Agriculture and completed his Master of Business Administration from Saint Louis University, USA, in 1995.

# Key Management

## YUNI SUPRIYANTO

- Director of PT Moya Tangerang
- Director of PT Moya Makassar

Mr. Supriyanto serves as the vice president of business development of PT Moya Indonesia since 2011, and is responsible for maintaining and developing the municipal water and waste water businesses in Indonesia. He also serves as a director of PT Moya Tangerang and PT Moya Makassar. He has over 20 years of experience in water and wastewater industry consulting and construction, working with international companies from Japan, UK and USA. He previously worked

in General Electric's water business segment in Indonesia as an account manager where he developed significant engineering and leadership knowledge.

Mr. Supriyanto graduated with a Bachelor of Chemical Engineering from the Bandung Institute of Technology and earned a Master of Finance degree from the Prasetya Mulya Business School.

## SJAHRUN S. SIKAR

- Director of PT Acuatico Air Indonesia

Mr. Sikar serves as the director for external relation of PT Acuatico Air Indonesia since 2010. He joined PT Aetra Air Jakarta as a human resources general manager in 2008. He has vast experience in the water industry before he joined the Acuatico Group, working for George Fischer Pte. Ltd., Thames Water Asia Pacific, Thames PAM JAYA and PT Primatek Multindo Indonesia.

Mr. Sikar graduated from Bogor Agriculture University and received his Master of Business Administration from Management Science Institute which is affiliated with Pennsylvania State University USA.

## RIA S. PUTRA

- Director of PT Air Semarang Barat

Mr. Putra serves as the director of PT Air Semarang Barat since September 2018 and is responsible for managing relationship with external parties and overseeing the execution of the Semarang BOT Project. He worked at PT Aetra Air Jakarta from 1999 to 2018 and served in various departments such as commercial business unit, supply chain management, performance observation group, and business development. Mr. Putra has more than 28 years of experience in water treatment supply.

Mr. Putra graduated with a Bachelor of Civil Engineering from University of Indonesia and earned his Master of Business Administration from University of Brunswick, Canada. He also has a Diploma in Infrastructure Management from Australian National University, Australia.

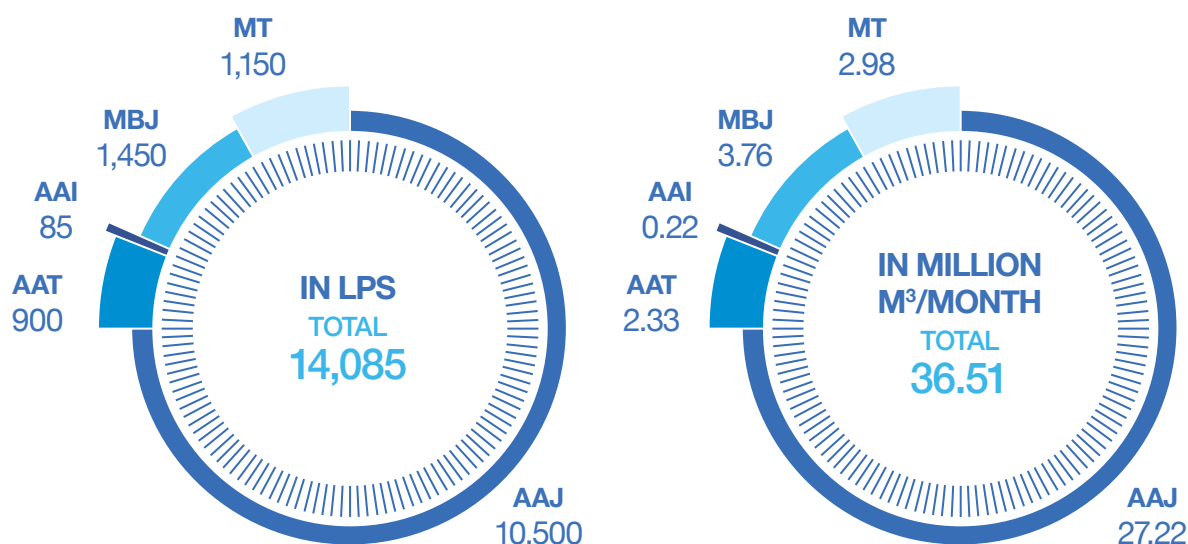
# OPERATING & FINANCIAL REVIEWS



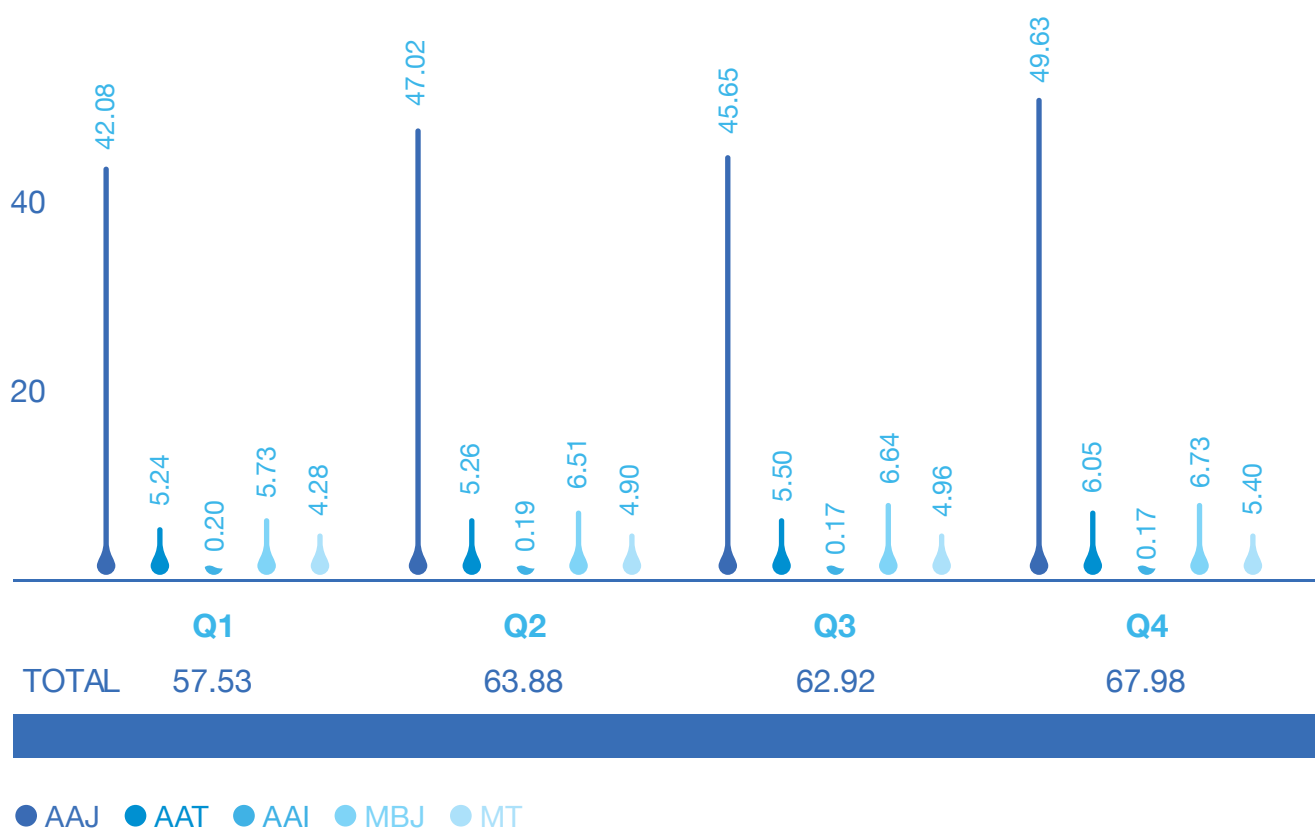


# OPERATIONAL HIGHLIGHTS

## CAPACITY AS AT 31 DECEMBER 2018

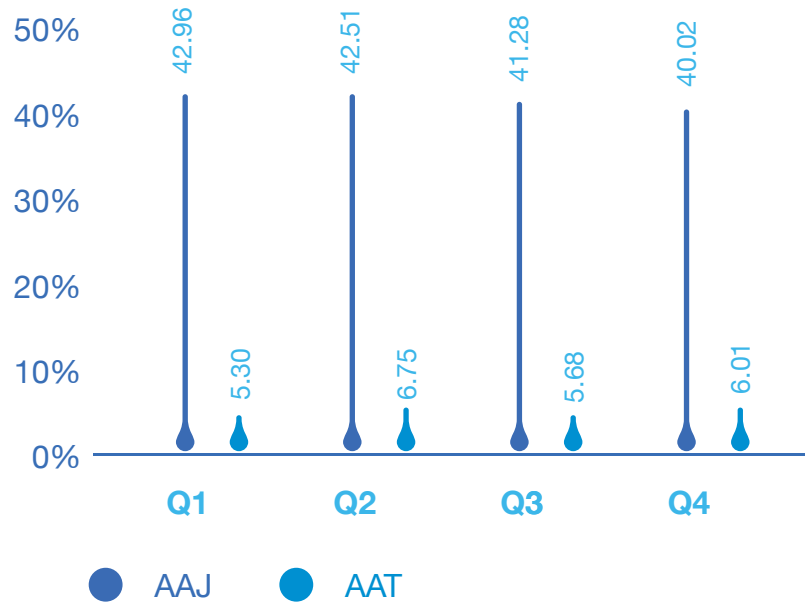


## SALES VOLUME (in million m³) IN 2018

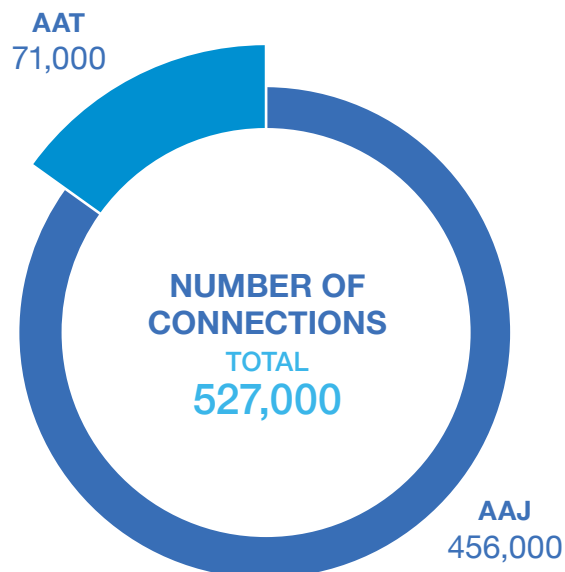


# OPERATIONAL HIGHLIGHTS

## NON-REVENUE WATER IN 2018



## NUMBER OF CONNECTIONS IN 2018



# CORPORATE SOCIAL RESPONSIBILITY

Our corporate social responsibilities efforts are mainly focused on water-related activities such as installing drinking water fountains in public areas, providing clean water to urban areas which has not yet being covered by pipe network, and cleaning raw water source to achieve a clean and sustainable environment for public benefit.

The Group implemented corporate social responsibilities to build a strong and sustainable partnership between the Group and local communities to achieve a common goal of mutual trust and prosperous coexistence.

## Installation of drinking water fountains



Installation of drinking water fountain at public school in East Jakarta



Installation of drinking water fountain at mosque in Tanjung Priok, North Jakarta

## Clean water charity and donation to natural disaster victims



Clean water charity to non-piped urban area in Sepatan, Tangerang Regency

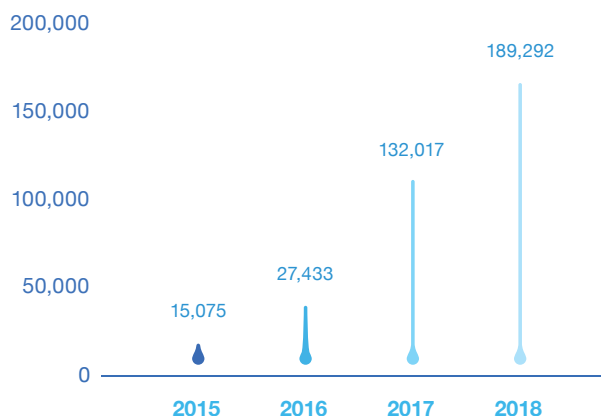


Donation to victims of tsunami disaster in Pandeglang, Banten

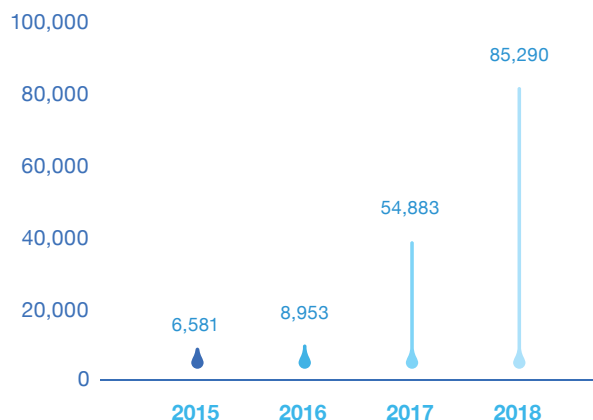
More in-depth information regarding the Group's activities in corporate social responsibilities will be provided further in the 2018 Sustainability Report.

# Financial Highlights

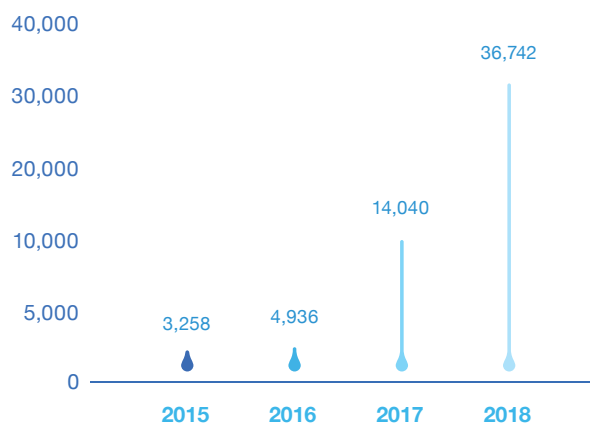
## Revenue (S\$'000)



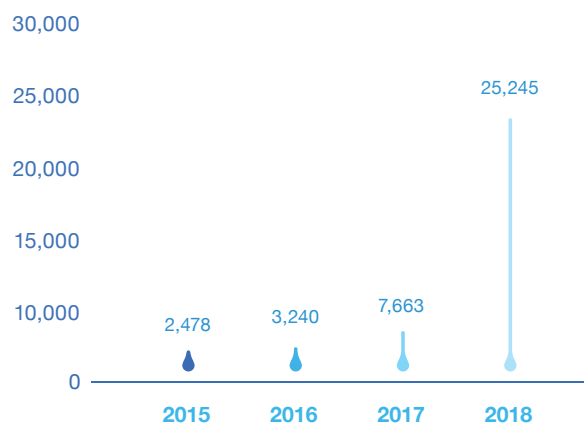
## Gross Profit (S\$'000)



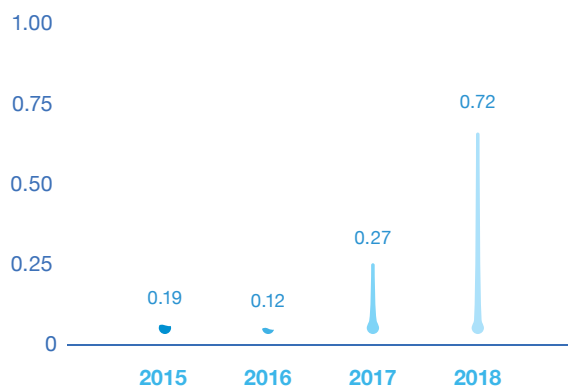
## Profit Before Income Tax (S\$'000)



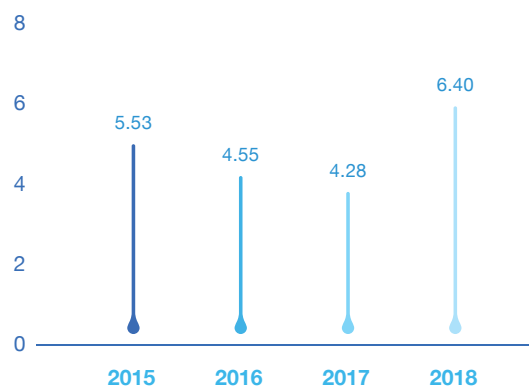
## Net Profit (S\$'000)



## Earnings per Share (Cents)



## Net Asset Value per Share (Cents)



# Financial Reviews

Consolidated Statement of Comprehensive Income	FY2018 S\$'000	FY2017* S\$'000	%
<b>Revenues</b>	<b>189,292</b>	<b>132,017</b>	<b>43</b>
Cost of sales	(104,002)	(77,184)	35
<b>Gross profit</b>	<b>85,290</b>	<b>54,833</b>	<b>56</b>
Administrative expenses	(37,249)	(25,375)	47
Finance income	9,943	4,571	118
Finance costs	(37,637)	(18,461)	104
Other income/(expenses), net	16,395	(1,528)	N.M
<b>Profit before income tax</b>	<b>36,742</b>	<b>14,040</b>	<b>162</b>
Income tax expense	(11,497)	(6,377)	80
<b>Profit for the year</b>	<b>25,245</b>	<b>7,663</b>	<b>229</b>

## Other comprehensive (loss)/income:

### Item that will not be reclassified to profit or loss:

Re-measurements of defined benefit pension plans	409	(30)	N.M
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### Item that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations	(9,816)	(11,817)	(17)
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<b>Other comprehensive loss for the year, net of tax:</b>	<b>(9,407)</b>	<b>(11,847)</b>	<b>(21)</b>
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<b>Total comprehensive income/(loss)</b>	<b>15,838</b>	<b>(4,184)</b>	<b>N.M</b>
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Profit attributable to owners of the Company	25,169	7,590	232
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Profit attributable to non-controlling interests	76	73	4
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<b>Profit for the year</b>	<b>25,245</b>	<b>7,663</b>	<b>229</b>
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Total comprehensive income/(loss) attributable to owners of the company	15,762	(4,258)	N.M
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Total comprehensive income attributable to non-controlling interests	76	74	3
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<b>Total comprehensive income/(loss)</b>	<b>15,838</b>	<b>(4,184)</b>	<b>N.M</b>
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N.M - not meaningful

\*Restated

# Financial Reviews

## FINANCIAL PERFORMANCE ANALYSIS

### Revenue

The Group's revenue for the financial year ended 31 December ("FY") 2018 increased significantly by S\$57.3 million to S\$189.3 million, from S\$132.0 million in FY2017. The increase was mainly due to the recognition of the full twelve-month revenue contribution from the Acuatico Group (comprising Acuatico Pte. Ltd. and its subsidiaries, namely, AAJ, AAT and AAI) in FY2018, as compared to only seven-month revenue contribution in FY2017, as well as an increase in water sales from Tangerang and Bekasi BOT projects in FY2018, as compared to FY2017.

### Gross Profit

In line with the increase in revenue, gross profit of the Group increased by S\$30.5 million, from S\$54.8 million in FY2017 to S\$85.3 million in FY2018, and gross profit margin increased from 41.5% in FY2017 to 45.1% in FY2018. The increase in gross profit and gross profit margin were largely due to the gross profit contribution of the Acuatico Group of S\$25.9 million in FY2018, as well as efficiency driven initiatives across all our operating companies.

### Administrative Expenses

Administrative expenses increased by S\$11.8 million, from S\$25.4 million in FY2017 to S\$37.2 million in FY2018. The increase was mainly due to the inclusion of full twelve-month administrative expenses of the Acuatico Group in FY2018, as compared to only seven-month administrative expenses in FY2017, as well as an increase in employee related expenses in the Acuatico Group, Tangerang and Bekasi BOT projects.

### Finance Income

Finance income increased by S\$5.3 million, from S\$4.6 million in FY2017 to S\$9.9 million in FY2018. This was mainly due to gain on modification of the Syndicated Loans to refinance the loan obtained by the Group in connection with the Acquisition Loan of S\$6.2 million as a result of decrease in interest rate margin, partially offset by decrease in interest income from the time deposit of the Acuatico Group.

### Finance Cost

Finance cost increased by S\$19.1 million, from S\$18.5 million in FY2017 to S\$37.6 million in FY2018, mainly due to interest expenses of the Syndicated Loans obtained in January 2018.

## Other Income/(Expenses), Net

Other income of S\$16.4 million in FY2018 relate mainly to (i) a foreign exchange gain of S\$14.3 million arising from the appreciation of US Dollars (“USD”) against the Indonesia Rupiah (“IDR”) in FY2018; and (ii) write-back of provision for impairment of trade receivables in the Acuatico Group of S\$6.0 million due to recovery of receivables. The increase in other income was partially offset by other expenses of S\$3.9 million, which relate to charges from PAM JAYA, and land and building tax.

## Income Tax Expense

Income tax expense increased by S\$5.1 million, from S\$6.4 million in FY2017 to S\$11.5 million in FY2018, mainly due to the inclusion of the Acuatico Group’s income tax expense in FY2018.

## 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\$9.8 million in FY2018. This was mainly due to depreciation of IDR against SGD in FY2018.

# Financial Reviews

Consolidated Statement of Financial Position	31 December 2018 S\$'000	31 December 2017* S\$'000	1 January 2017 S\$'000
Total non-current assets	462,131	458,270	69,737
Total current assets	173,836	155,089	70,903
<b>Total assets</b>	<b>635,967</b>	<b>613,359</b>	<b>140,640</b>
Total equity	270,334	120,530	127,507
Total non-current liabilities	293,100	98,573	9,425
Total current liabilities	72,533	394,256	3,708
<b>Total liabilities</b>	<b>365,633</b>	<b>492,829</b>	<b>13,133</b>
<b>Total equity and liabilities</b>	<b>635,967</b>	<b>613,359</b>	<b>140,640</b>

\*Restated

## FINANCIAL POSITION ANALYSIS

### Current Assets

The Group's current assets increased by S\$18.7 million or 12.1%, from S\$155.1 million as at 31 December 2017 to S\$173.8 million as at 31 December 2018. This was mainly due to increase in (i) cash and cash equivalents of S\$18.6 million; (ii) service concession assets of S\$2.9 million; (iii) restricted cash in banks of S\$1.4 million; and (iv) inventories of S\$0.7 million. The aforementioned increases were partially offset by decreases in trade and other receivables of S\$4.8 million.

The increase in service concession assets (current and non-current) of S\$3.2 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.

### Non-Current Assets

The Group's non-current assets increased by S\$3.8 million or 0.8%, from S\$458.3 million as at 31 December 2017 to S\$462.1 million as at 31 December 2018. This was mainly due to increase in (i) goodwill of S\$ 1.6 million; (ii) property, plant and equipment of S\$1.2 million; (iii) deferred tax assets of S\$0.7 million and (iv) service concession assets of S\$ 0.3 million.

### Current Liabilities

The Group's current liabilities decreased by S\$321.7 million or 81.6%, from S\$394.2 million as at 31 December 2017 to S\$72.5 million as at 31 December 2018. This was mainly due to repayment of the Acquisition Loan of USD240 million and refinance of loan from Bank Mega of IDR472.5 billion (equivalent to S\$45.1 million) by using (i) the proceeds from the Syndicated Loans secured by the Group in January 2018; and (ii) repayment of the remaining balance of the Acquisition Loan of S\$64.5 million by using proceeds from the Rights Issue.

## Non-Current Liabilities

The Group's non-current liabilities increased by S\$194.5 million or 197.3%, from S\$98.6 million as at 31 December 2017 to S\$293.1 million as at 31 December 2018. This was mainly due to the Syndicated Loans obtained in January 2018 to refinance the Acquisition Loan obtained by the Group which were short term in nature.

## Working Capital

The Group reported a positive working capital of S\$101.3 million as at 31 December 2018 as compared to a negative working capital of S\$239.2 million as at 31 December 2017, mainly due to increase in cash and cash equivalent subsequent to the Rights Issue and repayment of the Acquisition Loan.

# Financial Reviews

Consolidated Statement of Cash Flows	FY2018 S\$'000	FY2017* S\$'000
Cash flows provided from operating activities	68,384	41,706
Cash flows used in investing activities	(34,174)	(345,790)
Cash flows (used in)/provided from financing activities	(15,060)	346,824
<b>Net increase in cash and cash equivalents</b>	<b>19,150</b>	<b>42,740</b>
Cash and cash equivalents at beginning of financial year	96,921	63,071
Net effect of exchange rate changes in cash	(501)	(8,890)
<b>Cash and cash equivalents at end of financial year</b>	<b>115,570</b>	<b>96,921</b>

\*Restated

## CASH FLOWS ANALYSIS

Net cash flows from operating activities in FY2018 was S\$68.4 million, due to receipts from customers of S\$153.4 million, partially offset by payment to suppliers, directors and employees of S\$74.9 million, and payment of corporate income tax of S\$10.1 million.

Net cash flows used in investing activities in FY2018 was S\$34.2 million, due to payments of construction cost related to the BOT projects and water supply concessions in Indonesia of S\$29.3 million, purchase of fixed assets and other non-current assets of S\$7.4 million, partially offset by receipt of interest income from time deposits of S\$2.5 million.

Net cash flows used in financing activities in FY2018 was S\$15.1 million, due to repayments of bank loans of S\$406.2 million, payments of interest and finance cost of S\$37.7 million and increase in restricted cash in banks of S\$1.4 million, partially offset by proceeds from the Syndicated Loans of S\$292.6 million, proceeds from bank loan of S\$3.7 million, proceeds from shares issued in relation to the Rights Issue of S\$133.0 million, and issuance of share capital by a subsidiary of S\$0.9 million to non-controlling interest.

# CORPORATE GOVERNANCE REPORT

The background of the entire page is a deep blue underwater scene. It is filled with numerous small, light blue bubbles that appear to be rising from the bottom. In the lower right quadrant, there are several dark, irregularly shaped rocks or pieces of coral. The lighting is soft and diffused, creating a serene and somewhat ethereal atmosphere.



# Corporate Governance Report

The board of directors (the “Board” or the “Directors”) of Moya Holdings Asia Limited (the “Company”, and together with its subsidiaries, the “Group”) is committed to maintaining a high standard of corporate governance within the Group by complying with the principles and guidelines of the Singapore Code of Corporate Governance 2012 (“Code”). This establishes and maintains a legal and ethical environment in the Group to preserve the interests of all shareholders of the Company (“Shareholders”). This corporate governance report describes the Group’s corporate governance structures and practices in FY2018, with specific reference to the Code.

The new Code of Corporate Governance 2018 was issued on 6 August 2018 (the “Revised Code”), and will only take effect for Annual Reports covering financial years commencing from 1 January 2019. As such, the Revised Code will not affect the Company’s latest financial year ended 31 December 2018, and accordingly, the Group will only make reference to the Code in reviewing and implementing its corporate governance structures and practices.

The Board confirms that, for the financial year ended 31 December (“FY”) 2018, the Group has generally adhered to the principles and guidelines set out in the Code. Where there are deviations from the Code, appropriate explanations are provided in this report.

## BOARD MATTERS

### Principle 1: The Board’s Conduct of Affairs

*Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

#### Principal Duties of the Board

The principal functions of the Board, apart from its statutory responsibilities, include the following:

- guiding the formulation of the Group’s overall long-term strategic objectives and directions;
- overseeing the process of evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving corporate restructuring matters, major investment and divestment proposals, material acquisitions and disposals of assets, major corporate policies on key areas of operations, commitments to term loans and lines of credit from banks and financial institutions, annual budget, approval of Annual Reports and financial statements, convening of shareholders’ meetings, dividend payment, the release of the Group’s quarterly and full year results and interested person transactions of a material nature;
- overseeing the business and affairs of the Group, establishing with the management of the Group (“Management”) the strategies and financial objectives to be implemented and monitoring the performance of the Management;
- assuming responsibility for corporate governance;
- determining the Group’s values and standards including ethical standards; and
- considering sustainability issues including environmental and social factors in the formulation of the Group’s strategies.

# Corporate Governance Report

The Directors objectively discharge their duties and responsibilities at all times as fiduciaries and make decisions in the interests of the Company.

## Matters Requiring Board's Approval

The Group has adopted a set of approving authority limits, setting out the level of authorization required for specified corporate events and/or actions, including those that require the Board's approval. These include but are not limited to, the following:

- annual budget;
- quarterly and full year results announcements;
- Annual Report and financial statements;
- major acquisitions/disposals; and
- strategic plans.

## Delegation by the Board

The Board has delegated specific responsibilities to 3 committees, namely, the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC") (collectively, the "Board Committees") to assist in the execution of its responsibilities. Each Board Committee has its own written terms of reference, which clearly set out the objectives, duties, powers, responsibilities and qualifications for committee membership. While the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility and decision on all matters still lies with the Board.

## Attendance at Board and Board Committees Meetings

The Board conducts Board meetings at least 4 times a year to approve the quarterly and full year results announcements and to oversee the business affairs of the Group. Additional meetings for particular matters will be convened as and when they are deemed necessary. Physical meetings are held and the Company's constitution (the "Constitution") allows for Board meetings to be conducted by way of teleconference or video conference. The Board and Board Committees may also make decisions by way of circulating resolutions.

Minutes of all Board and Board Committees meetings will be circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during the respective meetings.

During FY2018 the number of meetings held (excluding additional informal meetings) and the attendance of each Director at the Board and Board Committees meetings are tabulated below:

Board / Board Committees	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	4	4	1	1
Directors	Attendance			
Low Chai Chong	4	4	1	1
Mohammad Syahril	4	4*	1*	1*
Irwan A. Dinata <sup>(1)</sup>	4	4	1	1
Simon A. Melhem <sup>(2)</sup>	4	4*	1*	1*
Hwang Kin Soo Ignatius	4	4*	1	1
Ziyad Fekri Z. Omar <sup>(3)</sup>	2	2	1	1

\* By Invitation

**Notes:**

<sup>(1)</sup> Mr Irwan A. Dinata was appointed as a member of the AC and the RC with effect from 26 April 2018, and subsequently stepped down as a member of the AC and the RC on 7 March 2019.

<sup>(2)</sup> Mr Simon A. Melhem was appointed as a member of the AC and the RC with effect from 7 March 2019.

<sup>(3)</sup> Mr Ziyad Fekri Z. Omar resigned as a Non-Independent and Non-Executive Director of the Company and a member of the AC and the RC with effect from 26 April 2018.

## Board Orientation and Training

When a new Director is to be appointed, the Company will provide a formal letter to the Director, setting out his duties and obligations. Such Directors are given appropriate briefings, when they are first appointed to the Board, on the Group's history and core values, business and organization structure, its strategic direction and corporate governance practices as well as industry-specific knowledge. Familiarization visits, including that of overseas plants and operations, are organized, if necessary, to facilitate a better understanding of the Group's operations.

The Company is responsible for arranging and funding the training of Directors. The Directors will receive, from time to time, further relevant training, particularly on applicable new laws and regulations, including directors' duties and responsibilities, corporate governance and developing trends, insider trading and financial reporting standards so as to enable them to properly discharge their duties as Board or Board Committee members. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are regularly circulated to the Board by the Continuing Sponsor of the Company and the Joint Company Secretaries. The latter also regularly informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

# Corporate Governance Report

## Principle 2: Board Composition and Guidance

*There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders<sup>(1)</sup>. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

### Board Independence

As at the date of this report, the Board comprises five (5) Directors, two (2) of whom are Independent Directors (including the respective Chairmen of the Board Committees). There is a strong and independent element on the Board, with Non-Executive Independent Directors constituting at least one-third of the Board. The roles of the Chairman and the Chief Executive Officer ("CEO") are assumed by different persons.

As at the date of this report, the composition of the Board and Board Committee are as follows:

Name of Director	Designations of Board member	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Low Chai Chong	Chairman and Non-Executive Lead Independent Director	Chairman	Member	Member
Mohammad Syahrial	Chief Executive Officer	-	-	-
Irwan A. Dinata	Managing Director	-	Member	-
Simon A. Melhem	Non-Executive Non-Independent Director	Member	-	Member
Hwang Kin Soon Ignatius	Non-Executive Independent Director	Member	Chairman	Chairman

The Board does not have any alternate Directors.

The criterion of independence is based on the guidelines provided in the Code. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Group.

The independence of each Director is assessed and reviewed annually by the NC. The NC adopts the definitions of the Code and the Rules of Catalist what constitutes an independent director in its review. The NC has reviewed the independence declaration of the Independent Directors and is satisfied as to the independence of the Independent Directors. None of the Independent Directors has served on the Board beyond 9 years from the date of his or her first appointment.

<sup>(1)</sup> The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

The Independent Directors, namely, Mr. Low Chai Chong and Mr. Hwang Kin Soon Ignatius, are directors of certain of the Company's subsidiaries, in particular, (i) Mr. Low is a director of Moya Indonesia Holdings Pte. Ltd.; and (ii) Mr. Hwang is a director of Moya Indonesia Holdings Pte. Ltd., Moya Energy Holdings Pte. Ltd. and Moya Energy Asia Pte. Ltd.. Save for the abovementioned, none of the Independent Directors has been appointed as director to the Company's principal subsidiaries. None of the Independent Director has been employed by the Company or any of its related corporations for the current or any of the past three financial years. None of the Independent Director has an immediate family who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the NC of the Company.

The interests in shares and share options held by each Director in the Company are set out in the "Directors' Statement" section of this Annual Report. Save for their individual and deemed interests in the shares of the Company, none of the Directors or any of their immediate family members is related to any other Director or a 10% Shareholder.

### **Board Composition and Size**

The Board's composition, size and balance are reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience for effective decision-making, taking into account the scope and nature of the operations of the Company and the Group. The NC has reviewed the size and composition of the Board and Board Committees and is of the opinion that they are of an appropriate size for effective decision-making. The NC opined that no individual or small group of individuals dominates the Board's decision-making process.

The Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board noted that gender diversity on the board of directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although there is currently no female Director appointed to the Board of Directors, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration. Each Director has been appointed based on the strength of his caliber, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategy and performance of its business.

### **Meeting of Directors without the Management**

The Non-Executive Directors communicate regularly to discuss matters such as the Group's financial performance and corporate governance measures and provide constructive advice and guidance on directions in relation to the Group's business strategies. They also review performance of the Management in achieving agreed goals and objectives and monitor the reporting of performance. Where necessary, the Non-Executive Directors meet and discuss on the Group's affairs without the presence of the Management.

### **Principle 3: Chairman and Chief Executive Officer**

*There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

### **Separation of the role of the Chairman and the CEO**

The roles of the Chairman and the CEO are separate to ensure a clear division of responsibilities, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not related. The division of responsibilities and functions between the two has been demarcated with the concurrence of the Board.

# Corporate Governance Report

The Chairman is primarily responsible for overseeing the Board. In addition, he also ensures that each member of the Board and the Management works well together with integrity and competency. The Chairman, with the assistance of the Joint Company Secretaries and the Chief Financial Officer (“CFO”), schedules the Board and Board Committee meetings as and when required and sets the agenda (in consultation with the CEO) for Board and Board Committee meetings. In addition, the Chairman ensures that quality, accuracy and timeliness of information flow are maintained between the Board and the Management. The Chairman encourages constructive relations between the Board and the Management and between the CEO and the Non-Executive Directors. The Chairman also takes a leading role in ensuring the Group’s compliance with corporate governance guidelines.

The CEO is primarily responsible for leading the development and execution of the Group’s short and long-term strategies and business plans and ensures that the Group is properly organized and staffed, assesses the principal risks of the Group and ensures effective internal controls and risk management systems are in place.

## Lead Independent Director

As recommended by the Code, the Board has appointed Mr. Low Chai Chong as the Lead Independent Director to coordinate and to lead the Non-Executive Directors to provide a non-executive prospective and contribute to a balance of viewpoints on the Board. Shareholders with serious concerns that could have a material impact on the Group, for which contact through the normal channels of the CEO and the CFO have failed to resolve or is inappropriate, shall be able to contact the Lead Independent Director (i.e. Mr. Low Chai Chong) or any of the AC members.

The Independent Directors meet at least once annually without the presence of the Executive Directors and the Management.

## Principle 4: Board Membership

*There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.*

## Nominating Committee

The NC comprises three (3) members, majority of whom, including the NC Chairman, are independent Directors. As at the date of this report, the members of the NC are as follows:

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Hwang Kin Soon Ignatius	(Chairman)
Low Chai Chong	(Member)
Irwan A. Dinata	(Member)

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The terms of reference of the NC are as follows:

- recommend the appointment and re-appointment of Directors;
- reviewing the board succession plans for Directors, in particular, for the Chairman of the Board and the CEO;
- review annually the independence of each Director, and ensure that the composition of the Board complies with the Code;
- where a Director has multiple board representations, the NC has to decide whether the Director is able to and has been adequately carrying out his duties as a Director of the Company;
- decide how the Board's performance may be evaluated and propose objective performance criteria to assess the effectiveness of the Board; and
- perform assessment of the effectiveness of the Board as a whole and the contribution of individual Directors.

### **Review of Directors' Independence**

The NC reviews annually the independence declarations made by the Independent Directors based on the criterion of independence under the guidelines provided in the Code and the Rules of Catalist. For FY2018, the NC has ascertained the independence status of the Independent Directors and also reviewed the tenure served by each Independent Director. The NC is of the view that the Independent Directors, namely, Mr. Low Chai Chong and Mr. Hwang Kin Soon Ignatius, both of whom were appointed on Board since FY2013, are independent and there is no conflict between their tenure and their abilities to discharge the role. The Independent Directors do not have any relationships including immediate family relationships with the other Directors, the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company.

None of the Independent Director has been employed by the Company or any of its related corporations for the current or any of the past three financial years. None of the Independent Director has an immediate family who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC of the Company.

### **Directors' Time Commitment**

When a Director has multiple board representations, the NC considers whether or not the Director is able to and has adequately carried out his duties as a director of the Company. The NC will determine annually whether each Director with multiple board representations and principal commitments outside of the Group is able to and has been adequately carrying out his duties as a Director. The NC will also take into account the attendance of the Directors at the Board or Board Committee meetings, results of the assessment of the effectiveness of the Board as a whole, the Board Committees, and the respective Directors' actual conduct on the Board and the Board Committees, in making its determination. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. To ensure the effectiveness of the Board as a whole and that the Directors are able to give sufficient time and attention to the affairs of the Company and adequately carried out their duties as directors of the Company, the NC has determined that the maximum number of directorships in listed companies which any Director may hold is six (6). For FY2018, all Directors have complied with this requirement.

# Corporate Governance Report

## Rotation and Re-election of Directors

Under the Company's Constitution, all Directors are required to submit for re-nomination and re-election at least once every three (3) years by rotation (with the exception of the Managing Director). With effect from 1 January 2019, pursuant to Rule 720(4) of the Singapore Exchange Securities Trading Limited ('SGX-ST') Listing Manual Section B: Rules of Catalist ("Catalist Rules"), all Directors, including Executive Directors, must submit themselves for re-nomination and re-appointment at least once every three (3) years. Within three years of 1 January 2019, a director (including the Managing Director) appointed or re-appointed before 1 January 2019, must submit himself for re-nomination and re-appointment to the Board at a general meeting no later than 31 December 2021. The Company's Constitution provides that one-third of the Board or the number nearest to one-third is to retire by rotation at every annual general meeting of the Company ("AGM"). All newly appointed Directors during the year are also required to retire by rotation and submit themselves for re-election at the next AGM following their appointment. Each member of the NC is required to abstain from voting, approving or making a recommendation on any resolutions of the NC in which he has a conflict of interest in the subject matter under consideration.

In its deliberations on the re-election and re-appointment of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions.

For the forthcoming AGM, Mr. Simon A. Melhem and Mr. Low Chai Chong will be retiring pursuant to Article 93 of the Company's Constitution. The NC has reviewed and is satisfied that both Mr. Simon A. Melhem and Mr. Low Chai Chong, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, are properly qualified for re-election by virtue of their skills, experience and contributions. The NC has recommended the re-election of the retiring Directors and the Board has accepted the NC's recommendations. Please refer to the notice of AGM for the resolutions put forth in relation to their respective re-elections. Both of them, being eligible for re-election, have offered themselves for re-election at the forthcoming AGM. Upon re-election, Mr. Simon A. Melhem and Mr. Low Chai Chong will remain as Directors of the Company. As a member of the NC, Mr. Low Chai Chong has abstained from voting on any resolutions in respect of the assessment of his own performance for re-appointment as a Director.

Please refer to the section entitled "Additional Information on Directors Nominated for Re-election- Appendix 7F to the Catalist Rules" of this report as well as pages 9 to 10 of this Annual Report for more information on the above mentioned Directors.

## Selection and Appointment of New Directors

The NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience which will enhance the overall effectiveness of the Board. The NC will conduct initial assessment of the candidate's qualifications and experience before making its recommendations to the Board.

The dates of appointment and last re-election of the Directors are set out below:

Name of Director	Board Appointment	Date of first appointment	Date of last re-election	Board Committees served at the date of this report	Directorships or chairmanships both present and held over the preceding 3 years in other listed companies and other principal commitments
Low Chai Chong	Non-Executive and Lead Independent	6 March 2013	28 April 2017 (to be re-elected at the forthcoming AGM)	Chairman of the Board and the AC, and member of the RC and the NC	<b>Other principal commitment</b> Senior Partner at Dentons Rodyk & Davidson LLP <b>Present Directorships</b> Pollux Properties Limited Ramba Energy Limited <b>Past Directorships</b> None
Mohammad Syahrial	Executive	17 March 2015	27 April 2018	Nil	<b>Other principal commitment</b> None <b>Present Directorships</b> None <b>Past Directorships</b> None
Irwan A. Dinata	Executive	17 March 2015	29 March 2016	Member of the NC	<b>Other principal commitment</b> None <b>Present Directorships</b> None <b>Past Directorships</b> PT Magna Finance Tbk
Simon A. Melhem	Non-Executive Non-Independent	6 March 2013	28 April 2017 (to be re-elected at the forthcoming AGM)	Member of the AC and the RC	<b>Other principal commitment</b> None <b>Present Directorships</b> None <b>Past Directorships</b> None
Hwang Kin Soon Ignatius	Non-Executive Independent	9 January 2013	27 April 2018	Chairman of the NC and the RC, and member of the AC	<b>Other principal commitment</b> Managing Director at Squire Patton Boggs, Singapore LLP <b>Present Directorships</b> None <b>Past Directorships</b> China Environment Limited

# Corporate Governance Report

## Information on Directors

Information required in respect of the academic and professional qualification is set out in the “Board of Directors” section of this Annual Report.

Information on the interests of Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the “Directors’ Statement” section of this Annual Report.

## Principle 5: Board Performance

*There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.*

The Board and the NC have used their best efforts to ensure that Directors appointed to the Board, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group’s business. The Board and the NC have also ensured that each Director, with his contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC is responsible for establishing a review process to assess the performance and effectiveness of the Board as a whole, as well as to assess the performance and contribution of each of the Directors to the overall effectiveness of the Board.

Board and Board Committee evaluation and self-assessment forms are disseminated to all Directors to seek their views on the various aspects of the Board’s performance so as to assess the overall effectiveness of the Board. These performance criteria in the forms do not change from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus will be on the Board to justify the change. The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to encourage feedback on the Board’s strengths and shortcomings with a view to strengthening the effectiveness of the Board as a whole. The responses are reviewed by the NC before presenting to the Board for discussion and determining areas for improvement and enhancement of the Board’s effectiveness.

The review of each Director and the Board’s performance is undertaken collectively by the Board and the NC annually on a continual basis, without the engagement of external facilitator(s). The criteria taken into consideration by the Board and the NC include the value of contribution to the development of strategy, the degree of preparedness, industry and business knowledge and experience each director possess which are crucial to the Group’s business. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

For FY2018, the Board (i) is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company, notwithstanding that some Directors have multiple board representations; and (ii) is of the view that the performance of the Board as a whole and the

contribution of each Director to the effectiveness of the Board and Board Committees has been satisfactory.

## Principle 6: Access to Information

*In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

The Management is required to provide adequate and timely information to the Board on the Group's affairs and issues that require the Board's decision as well as on-going reports relating to the operational and financial performance of the Group. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through other means, e.g. electronic mail and tele-conferencing. Alternatively, the Management will arrange to personally meet and brief each Director before seeking the Board's approval on a particular issue. Any requests by the Directors for further explanations, briefings or informal discussions on any aspect of the Group's operations are always facilitated expeditiously.

The members of the Board in their individual capacity have access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to the Board and Board Committee meetings, all members of the Board and Board Committees are provided with the relevant documents and information to enable them to obtain a comprehensive understanding of the issues to be deliberated upon as well as to enable them to arrive at an informed decision. In the furtherance of its duties, the Board may obtain independent advice from external professionals and such costs are to be borne by the Company. This enhances the Board's ability to discharge its functions and duties.

The Board has direct and unrestricted access to the Company's records and information. The Board also has separate and independent access to the Management and the Joint Company Secretaries. At least one of the Joint Company Secretaries attend all Board and Board Committee meetings, and is responsible for ensuring that the Board and Board Committee meetings procedures are followed and that applicable rules, acts and regulations are complied with. Under the direction of the Chairman, the Company Secretaries' responsibilities also include ensuring good information flows within the Board and its Board Committees and between the Management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required.

Appointment and the removal of the Company Secretaries is a matter for consideration as a whole for the Board.

## REMUNERATION MATTERS

### Principle 7: Procedures for Developing Remuneration Policies

*There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

# Corporate Governance Report

## Remuneration Committee

The RC comprises three (3) members, comprising all Non-Executive Directors and majority of whom, including the RC Chairman, are Independent Directors.

As at the date of this report, the members of the RC are as follows:

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Hwang Kin Soon Ignatius	(Chairman)
Low Chai Chong	(Member)
Simon A. Melhem	(Member)

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The terms of reference of the RC are as follows:

- recommend to the Board, a framework of remuneration for the Executive Directors and other key members of the Management;
- determine specific remuneration packages for each Executive Director;
- preview and recommend to the Board, the terms of renewal of the service agreements of the Executive Directors;
- determine targets for any performance related pay schemes operated by the Company; and
- administer the Moya Holdings Asia Limited Employee Share Option Scheme (“ESOS”) in accordance with the rules of the ESOS.

## Procedure for setting remuneration

Each of the Executive Directors’ remuneration package is decided based on his service agreement. Non-Executive Directors are paid annual Directors’ fees of an agreed amount and these fees are subject to Shareholders’ approval at the AGM. Non-Executive Directors are also eligible for the ESOS.

The RC will review and recommend to the Board any bonuses, pay increments and/or promotions for the Directors and key management personnel. The RC also reviews the Group’s obligations arising in the event of termination of any Executive Directors’ and key management personnel’s contracts of services to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance. The RC’s recommendations are submitted for endorsement by the Board.

No Directors is involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

If necessary and when required, the RC has access to appropriate expert advice in the field of executive compensation outside the Company.

No remuneration consultants were engaged by the Company in FY2018. The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration

consultants, if any, will not affect the independence and objectivity of the remuneration consultants. Where remuneration consultants are appointed, the Company will disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

### **Principle 8: Level and Mix of Remuneration**

*The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

The RC will ensure that the Directors are adequately but not excessively remunerated. The RC will also consider amongst other things, the Directors' responsibilities and contribution to the Company's performance and ensure that rewards are linked to corporate and individual performance.

Each of the Executive Directors does not receive Director's fee and his remuneration package is based on his service agreement with the Company. The RC will review the service agreement of each of the Executive Directors as and when the service agreement is due for renewal to ensure there are no excessively long or with onerous removal clauses.

Non-Executive Directors receive annual Directors' fees which are determined by the Board, in accordance with their contributions, taking into account factors such as effort and time spent for serving the Board and Board Committees. The fees are subject to approval by Shareholders at each AGM. The Company had obtained Shareholders' approval for payment of Directors' fees of S\$215,000 for FY2018 (with payment to be made quarterly in arrears) at the last AGM held on 27 April 2018 and the actual Directors' fees paid for FY2018 were S\$135,000. Directors' fees of S\$245,000 for the next financial year ending 31 December 2019 (with payment to be made quarterly in arrears) are recommended by the Board and subject to the approval of Shareholders at the forthcoming AGM. The RC has assessed and is satisfied that the Independent Directors are not overly-compensated to the extent that their independence is compromised. Each member of the Remuneration Committee abstains from voting on any resolutions in respect of his remuneration package.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of the remuneration from the Executive Directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The RC, will consider, if required, whether there is a requirement to institute such contractual provision to allow the Company to reclaim the incentive components of the remuneration of the Executive Directors and key management executive paid in prior years in such exceptional circumstances.

The RC administers the ESOS in accordance with rules of the ESOS. The ESOS is intended to motivate and reward the Executive Directors, Non-Executive Directors and key management personnel and to align their interest with that of the Company. Further information on the ESOS is

# Corporate Governance Report

set out in Guideline 9 of this Corporate Governance Report, section 5 of the “Directors’ Statement” as well as Note 22A to the Financial Statements of this Annual Report.

## Principle 9: Disclosure on Remuneration

*Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company’s Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

The remuneration policy adopted by the Group comprises fixed and variable component. The fixed component is in the form of a base salary, whereas the variable component is in the form of a variable or performance bonus that is linked to corporate performance and individual performance.

The breakdown of each director’s remuneration by percentage for FY2018 is as follows:

Name of Director	Fees (%)	Based/Fixed Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
<b>S\$250,000 to S\$500,000</b>					
Irwan A. Dinata	0%	60%	14%	26%	100%
<b>Below S\$250,000</b>					
Low Chai Chong	100%	0%	0%	0%	100%
Mohammad Syahrial	0%	100%	0%	0%	100%
Simon A. Melhem	0%	100%	0%	0%	100%
Ziyad F. Omar (resigned on 26 April 2018)	100%	0%	0%	0%	100%
Hwang Kin Soon Ignatius	100%	0%	0%	0%	100%

The table below shows the number of key management personnel within each band of remuneration amongst the top thirteen (13) key management personnel for FY2018:

Remuneration Band	FY2018
S\$500,000 to S\$750,000	None
S\$250,000 to S\$500,000	4
Below S\$250,000	9

No termination, retirement and post-employment benefits have been paid to the Directors, the CEO and the top thirteen (13) key management personnel in FY2018.

For FY2018, the aggregate remuneration paid to the top thirteen (13) key management personnel (who are not Directors or the CEO) was approximately S\$1,725,000.

There are no Directors or employees who are related to one another or to any of the substantial Shareholders of the Company. No employee of the Group is an immediate family member of any Director or the CEO, and whose remuneration exceeds S\$50,000.

The Code recommends that a company should fully disclose the remuneration of each individual director and the CEO on a named basis, and fully disclose the names and remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. The Board, on review, is of the opinion that it is in the best interests of the Group not to disclose the actual remuneration, as well as the names of the top 5 key management personnel (who are not Directors or the CEO) as such disclosure is disadvantageous to the business interest of the Group given the competitive nature of the industry and the sensitive nature of remuneration. The Board is also of the opinion that the information disclosed above would be sufficient for Shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report.

The ESOS was approved by Shareholders on 3 June 2013. The ESOS complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. The ESOS will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Details of the ESOS were set out in the circular to Shareholders dated 17 May 2013 and the "Directors' Statement" section in this Annual Report.

Please refer to the "Directors' Statement" section and Note 22 to the Financial Statements of this Annual Report for more information on the ESOS.

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors/CEO (together with other key management personnel) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes, and the time horizon of risks.

## ACCOUNTABILITY AND AUDIT

### Principle 10: Accountability

*The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.*

# Corporate Governance Report

The Board is accountable to Shareholders and always aim to provide Shareholders with a balanced and understandable analysis, explanation and assessment of the Group's financial position and prospects on a timely basis.

The Company releases the Group's financial results on a quarterly basis and other price sensitive information via SGXNET so as to provide Shareholders with balanced and accurate assessment of the Group's performance, financial positions and prospects. Financial results are reviewed by the AC before it is recommended for adoption by the Board. The financial results announcements are reviewed by the Board and the AC before being released to the public. The Board ensures all relevant regulatory compliances and updates are highlighted from time to time to ensure compliance with regulatory requirements.

The Management will provide all members of the Board with management accounts of the Group's performance, with explanatory details on its operations at least on a quarterly basis. The Board papers are circulated to the Directors prior to any Board meeting to facilitate effective discussion and decision-making. The Management also maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of quarterly and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

In line with the Catalist Rules, the Board provides a negative assurance statement to Shareholders in its quarterly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

Each of the Directors and Executive Officers (as defined in the Catalist Rules) of the Group have also signed a letter of undertaking pursuant to Rule 720(1) of the Catalist Rules.

## Principle 11: Risk Management and Internal Controls

*The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

The Board is responsible for maintaining a sound system of internal controls to safeguard Shareholders' interests and maintain accountability of its assets. The Management reviews regularly the Group's business and operations to identify areas of significant risks and the appropriate measures to control and mitigate these risks. The Management reviews all significant policies and procedures and highlight significant matters to the Board and the AC. While no cost-effective internal control system can provide absolute assurance against lost or misstatement, the Group's internal controls and system have been designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication, are reasonable and accurate.

Based on the internal controls established and maintained by the Group and the verification

of the internal controls identified from the risk and assurance framework, the Board, with the concurrence of the AC, is of the opinion that the existing controls procedures of the Group are adequate and effective in addressing financial, operational, compliance and information technology controls and risk management systems as at 31 December 2018. This is supported by assurance from the CEO and the CFO that:

- (a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and are in accordance with the relevant accounting standards; and
- (b) they have evaluated the effectiveness of the Company's internal controls and risk management system and have discussed with the Company's external and internal auditors of their reporting points and note that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize or report financial data.

The Board reviews the adequacy and effectiveness of the Group's risk and assurance framework, including financial, operational, compliance and information technology controls at least on an annual basis.

The Board recognizes that the system of internal controls and risk management provides reasonable but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

## Principle 12: Audit Committee

*The Board should establish an audit committee with written terms of reference which clearly set out its authority and duties.*

### Audit Committee

The AC comprises three (3) members, comprising all Non-Executive Directors, and majority of whom, including the AC Chairman, are Independent Directors. As at the date of this report, the members of the AC are as follows:

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Low Chai Chong	(Chairman)
Hwang Kin Soon Ignatius	(Member)
Simon A. Melhem	(Member)

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# Corporate Governance Report

## Roles and Responsibilities of the AC

The members of the AC, collectively, have the expertise or experience in financial management and are qualified to discharge the AC's responsibilities. The profile of the members of the AC is set out in the "Board of Directors" section of this Annual Report.

The terms of reference of the AC are as follows:

- review the adequacy of the maintenance of accounting records;
- review the adequacy of the Group's internal controls;
- review the financial statements of the Company and the Group, including the quarterly and full year results and the respective announcements before the submission to the Board;
- review the significant financial reporting issues and judgment so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's performance;
- recommend to the Board, the appointment, re-appointment or removal of external auditors and approve the remuneration and terms of engagement of the external auditors;
- review the audit plan and the audit report in conjunction with the external auditors;
- review the cost effectiveness of the external audit, and where the external auditor provides non-audit services to the Company, to review the nature, extent and costs of such services so as to avoid an erosion of the independence and objectivity of the external auditors; and
- review interested person transactions to ensure that each transaction has been conducted on an arm's length basis.

The AC has the authority to investigate any matter within its terms of reference. It has full access to, and co-operation of the Management and the full discretion to invite any Director or executive officer to attend its meetings, and ensure it has reasonable resources to enable it to discharge its functions properly.

The AC meets regularly with the Management and the external auditors to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group. The external auditors have unrestricted access to the AC. The AC also meets with the external auditors and reviews the scope and results of the external audit. The AC meets with the external auditors at least annually, without the presence of the Management.

PricewaterhouseCoopers LLP has been appointed as the independent auditor of the Company and its subsidiaries incorporated in Singapore. Public Accountant Tanudireja, Wibisana, Rintis and Associates, a member firm of the PwC network, has been appointed as the auditor of the Company's significant Indonesia-incorporated subsidiaries for FY2018. The AC, is satisfied that PricewaterhouseCoopers LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, is independent and that they had also provided a confirmation of their independence to the AC. The AC had assessed the external auditors of the Company based on factors such as performance, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is satisfied that Rules 712 and 715 of the Catalist Rules have been complied with and has recommended to the Board, the nomination of PricewaterhouseCoopers

LLP for re-appointment as the external auditors of the Group for the current financial year ending 31 December 2019 at the forthcoming AGM.

No former partner or director of the Company's existing auditing firm has acted as a member of the AC. The AC is responsible for conducting an annual review of non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending their re-appointment to the Board.

The amount of audit and non-audit fees paid to PricewaterhouseCoopers LLP in FY2018 were S\$546,927 and S\$175,725 respectively. The AC has undertaken a review of all non-audit services provided by the external auditors and they would not, in the opinion of the AC, affect the independence and objectivity of the external auditors. To keep abreast of changes to the accounting standards and issues which have a direct impact on the Group's financial statements, the AC sought updates and advice from the external auditors during the audit planning meeting and the AC meetings.

### **Whistle-blowing Policy**

The Company has made available channels such as Company's email or fax and internal control procedures for employees and the public to raise concerns about misconducts in the Group and at the same time assure them that they will be protected from victimization for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct adequate investigation. There were no whistle-blowing reports received in FY2018.

### **Activities in FY2018**

In FY2018, the AC had carried out the following activities:

- (a) reviewed the quarter and full-year financial statements (audited and unaudited), and recommended to the Board for approval;
- (b) reviewed the adequacy and effectiveness of the Group's risk management and internal control systems;
- (c) reviewed interested persons transactions;
- (d) reviewed the adequacy and effectiveness of the internal audit function;
- (e) reviewed and approved the annual audit plan of the external auditors;
- (f) reviewed the results of the internal audit procedures;
- (g) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for Board's approval; and
- (h) met with the external auditors once without the presence of the Management.

To keep abreast of the changes in accounting standards and issues which have a direct impact on financial statements, advice is sought from the external auditors when they attend the quarterly AC meetings.

# Corporate Governance Report

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with the Management and the external auditors, and were reviewed by the AC:

## Matters considered

## How the AC reviewed these matters and what decisions were made

### Accounting for service concession arrangements

The AC considered the approach and methodology applied to the construction service consideration and the operating service consideration with reference to their relative fair value under Financial Assets Model. In addition, the AC has reviewed the management's assessment of judgment over the assumptions and estimates used in determining the projected cost for both the construction and operation services as well as the profit margin applied over the projected costs as the fair value of the revenues are derived from these inputs. The AC agreed that the relative fair value of the construction service and operating service consideration in the Financial Asset Model of the service concession arrangement is consistent.

The accounting for service concession arrangement was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for the financial year ended 31 December 2018. Please refer to page 71 of this Annual Report.

### Goodwill impairment assessment

The AC considered the approach and methodology applied to the goodwill impairment assessment by comparing the recoverable amount of the cash generating unit to the carrying amount. In addition, the AC has reviewed the management's assessment of judgment over the assumptions and estimates used in performing annual impairment by discounted cash flow projection. The AC agreed that the judgment in relation to the goodwill impairment assessment to be reasonable and appropriately supported.

The accounting for goodwill impairment assessment was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for the financial year ended 31 December 2018. Please refer to page 72 of this Annual Report.

## Principle 13: Internal Audit

*The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

The AC is responsible for approving the hiring, removal, evaluation and compensation of the professional firm to which the internal audit function is outsourced and the internal auditors' primary line of reporting is to the chairman of the AC.

The AC, taking into consideration the current size and operations of the Group, is of the view that it does not warrant the engagement of an independent internal audit firm. Nonetheless, the AC

will review the need on a yearly basis and will engage an independent internal audit firm when the need arises.

The Company's subsidiaries have conducted a review of their internal control processes, risk management and compliance systems through internal control and audit department. The internal audit function is adequately resourced with persons with the relevant qualifications and experience and has appropriate standing within the Company. The AC reviews the adequacy and effectiveness of the internal audit function annually.

Internal control and audit department had conducted the internal review based on the following objectives:

- review of the effectiveness of the Group's system of internal controls to address key business and operational risks;
- review of the Group's compliance to the system of internal controls; and
- assessment of whether the Group's operations are conducted in an effective and efficient manner.

Subsequent internal audit findings and corresponding Management's responses to address these findings are reported at the meetings of the AC.

#### **Principle 14: Shareholder Rights and Responsibilities**

*Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

In recognition of the importance of treating all Shareholders fairly and equitably and the Shareholders' rights, the Company aims to protect and facilitate the exercise of ownership rights by all Shareholders, and continually review and update such governance arrangements.

The Company also notes that Shareholders have the right to be sufficiently informed of changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares. To ensure that all Shareholders are treated fairly and equitably, the Company strives to share pertinent information in a timely manner to keep them apprised of the latest development through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

The Company will ensure that Shareholders have equal opportunity to participate effectively in and vote at general meetings and brief Shareholders on the rules, including voting procedures that govern general meetings. Shareholders are informed of general meetings through the announcement released on the SGXNET and notice contained in the Annual Report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper and posted onto the SGXNET on the day of despatch of the Annual Reports or circulars to Shareholders. Such notices will contain the relevant rules and procedures governing the general meetings.

Pursuant to Article 73 of the Company's Constitution, Shareholders may appoint not more than 2

# Corporate Governance Report

proxies to attend and vote at the general meeting. When a Shareholder appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. However, the Company allows Shareholders who are relevant intermediaries (as defined under Section 181(6) by the Companies Act, Chapter 50 of Singapore) to appoint more than two (2) proxies to attend and vote at the same general meeting.

## Principle 15: Communication with Shareholders

*Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

It is the Company's policy that all Shareholders and the public should be equally and timely informed of all major developments that impact the Group. The Company does not practice selective disclosure.

Information is communicated to Shareholders on a timely basis and made through:

- Annual Reports issued to all Shareholders;
- announcement of quarterly and full year financial results on SGXNET;
- disclosures on SGXNET;
- press releases on major developments of the Company; and
- company's website at [www.moyaasia.com](http://www.moyaasia.com) from which Shareholders can access information relating to the Group.

The Board regards the AGM as the principal communication channel with Shareholders, where Shareholders can take the opportunity to raise enquires pertaining to the resolutions tabled for approval and seek updates regarding affairs of the Company and its operations from the Board and the Management.

The Company has also made available other channels, such as the Company's website, email or fax, for Shareholders who are not able to attend the AGM to contribute their feedback and inputs.

## Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared will take into account, inter alia, level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, and other factors as the Board may deem appropriate. The Board did not recommend any dividends to be declared for FY2018, as the Board deems it appropriate to retain the cash for the Group's capital expenditure and for the Group's future growth.

## Principle 16: Conduct of Shareholder Meetings

*Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

All Shareholders receive reports or circulars of the Company including notice of general meeting by post within the mandatory period. Notice of general meeting is announced through SGXNET and published in an English language newspaper within the same period.

All registered Shareholders are invited to participate and given the right to vote on resolutions at general meetings. Every matter requiring Shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Proxy form is sent with notice of general meeting to all Shareholders. A Shareholder who is unable to attend the general meeting may appoint up to two (2) proxies to attend and vote on his behalf at the meeting through proxy forms deposited 48 hours before the general meeting.

All Directors, Management, Company Secretary, external auditors, legal advisors (if necessary) and the Sponsor attend all general meetings. The procedures of general meetings provide Shareholders the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by Shareholders with the Directors on their views on matters relating to the Company.

The Chairman of the AC, the NC and the RC will be present at the AGM to answer any question relating to the work of the Board Committees. The external auditors are also present at the AGM to address Shareholders' queries about the conduct of the audit and preparation and content of the auditors' report.

The Company Secretaries prepare minutes of Shareholders' meetings, which incorporates substantial comments and responses from the Board and the Management. These minutes are made available to Shareholders upon their request.

The Company will put all resolutions to vote by poll and detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced on SGXNET.

The Directors may, at their discretion, allow absentia-voting methods such as mail, e-mail or fax. However, as the authentication of Shareholders' identity information and other related integrity issues remain a concern, the Company has decided, for the time being, not to allow absentia-voting methods.

# Corporate Governance Report

## DEALING IN SECURITIES

Pursuant to Rule 1204(19) of the Catalist Rules, the Company has issued directive to all Directors and employees of the Group, which sets out prohibitions against dealings in the Company's securities while in possession of unpublished price sensitive information of the Group.

All Directors and employees of the Company are not allowed to deal in the Company's securities whilst in possession of unpublished price sensitive information of the Group. They are not allowed to deal in the Company's securities during the period commencing two (2) weeks before the announcement of the Company's quarterly results or one (1) month before the announcement of the Company's full year results.

In addition, the Directors and employees of the Group are advised not to deal in the Company's securities on short term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods. The Board is kept informed when a Director trades in the Company's securities.

## INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that transactions with interested persons are properly reviewed, approved and reported to the AC on a timely basis, and are conducted at arm's length basis and will not be prejudicial to the interest of the Company and its minority Shareholders.

The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920(1)(a) (i) of the Catalist Rules.

There were no interested person transactions in FY2018.

## RISK MANAGEMENT

The Company does not have a risk management committee. The Management assumes the responsibility of the risk management function. The Management regularly assesses and reviews the Group's business and operational activities to identify areas of significant business and financial risks, and will report to the AC. Appropriate measures are implemented by the Management to address these risks.

## MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of any Director or substantial Shareholders either still subsisting at the end of FY2018 if not then subsisting, entered into since the end of FY2017.

## CATALIST SPONSOR

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees paid to ZICO Capital Pte. Ltd. in FY2018.

## USE OF PROCEEDS

### (i) Rights Issue completed in January 2016

In January 2016, the Company completed a renounceable non-underwritten rights issue exercise, raising net proceeds of approximately S\$50.13 million. A summary of the use of the net proceeds from the Rights Issue is as follows:

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 28 February 2019 <sup>(1)</sup> (S\$'million)	Net proceeds utilised from 1 March 2019 up to date of this Annual Report (S\$'million)	Balance of net proceeds as at the date of this Annual Report (S\$'million)
Development of the BOT projects in Indonesia	32.58	25.53	0.77	6.28
Expansion through acquisitions, joint venture and/or strategic partnerships	15.04	15.04	-	-
General corporate and working capital requirements of the Group	2.51	2.51 <sup>(2)</sup>	-	-
<b>Total</b>	<b>50.13</b>	<b>43.08</b>	<b>0.77</b>	<b>6.28</b>

### (ii) Rights Issue completed in July 2018

In July 2018, the Company completed a renounceable non-underwritten rights issue exercise, raising net proceeds of approximately S\$132.04 million. A summary of the use of the net proceeds from the Rights Issue is as follows:

Use of net proceeds	Allocation of net proceeds (as disclosed in the circular to Shareholders dated 11 June 2018) (S\$'million)	Net proceeds utilised as at 28 February 2019 <sup>(1)</sup> (S\$'million)	Net proceeds utilised from 1 March 2019 up to date of this Annual Report (S\$'million)	Balance of net proceeds as at the date of this Annual Report (S\$'million)	Balance of net proceeds (on re-Allocated basis) as at the date of this Annual Report (S\$'million)
Full repayment of the MIH loan	68.00	64.46	-	3.54	-
Continual expansion through acquisitions, joint ventures and/or strategic partnerships	50.00	2.85	-	47.15	47.15
Development of BOT projects in bulk water supply and water supply concessions in Indonesia	13.00	-	-	13.00	16.54
General corporate and working capital requirements of the Group	1.04	0.66	0.09	0.29	0.56
<b>Total Use of Net Proceeds</b>	<b>132.04</b>	<b>67.97</b>	<b>0.09</b>	<b>63.98</b>	<b>64.25</b>
Right Issue Expenses	1.00	0.73	-	0.27	-
<b>Total</b>	<b>133.04</b>	<b>68.70</b>	<b>0.09</b>	<b>64.25</b>	<b>64.25</b>

#### Notes:

(1) Being the date of the Company's announcement of its unaudited financial statements for FY2018.

(2) Comprised payments of staff costs of \$0.39 million, office expenses of S\$0.10 million and general administrative expenses of S\$0.09 million.

# Corporate Governance Report

## ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr. Simon A. Melhem and Mr. Low Chai Chong, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Director	Mr. Simon A. Melhem	Mr. Low Chai Chong
Date of first appointment	6 March 2013	6 March 2013
Date of last re-appointment (if applicable)	28 April 2017	28 April 2017
Age	55	57
Country of principal residence	United States of America	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Simon A. Melhem as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Melhem's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Low Chai Chong as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Low's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	No	No
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Non-Executive and Non-Independent Director and a member of the AC and the RC	Chairman, Non-Executive and Lead Independent Director, Chairman of the AC, and a member of the NC and the RC
Professional qualifications	Nil	Advocate and Solicitor (Singapore)
Working experience and occupations(s) during the past 10 years	<ul style="list-style-type: none"> <li>• 2010-2011, Director at Pizhou Water Holdings Pte. Ltd. in Singapore</li> <li>• 2010-2013, CEO &amp; Managing Director at Moya Asia Limited</li> <li>• 2010-2015, CEO at Moya Holdings Asia Limited</li> <li>• 2011-2015, Director at PT Moya Indonesia</li> <li>• 2016-2019, Executive Director at Moya Holdings Asia Limited</li> </ul>	<ul style="list-style-type: none"> <li>• 1986-Present, Senior Partner at Dentons Rodyk &amp; Davidson LLP</li> </ul>

Shareholding interest in the listed issuer and its subsidiaries	1,400,000 ordinary shares and 8,000,000 employee share options of the Company	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Nil</p> <p>As at the date of this Annual Report, Mr. Melhem is a Director of Moya Indonesia Holdings Pte. Ltd. and Acuatico Pte. Ltd.</p>	<p>Nil</p> <p>As at the date of this Annual Report, Mr. Low is a Director of Moya Indonesia Holdings Pte. Ltd.</p>
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p><b>Other Principal Commitments* Including Directorships#</b></p> <p>* “Principal Commitments” has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p>		
Past (for the last 5 years)	Nil	China Gaoxian Fibre Fabric Holdings Limited
Present	<p><b>Present Directorships:</b></p> <p><u>Group Companies</u></p> <p>- Moya Indonesia Holdings Pte. Ltd - Acuatico Pte. Ltd.</p>	<p><b>Present Directorships:</b></p> <p><u>Group Companies</u></p> <p>Moya Indonesia Holdings Pte. Ltd.</p> <p><u>Other Companies</u></p> <p>- Pollux Properties Limited - Ramba Energy Limited</p>

# Corporate Governance Report

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

Name of Director	Mr. Simon A. Melhem	Mr. Low Chai Chong
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

# Corporate Governance Report

Name of Director	Mr. Simon A. Melhem	Mr. Low Chai Chong
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Disclosure applicable to the appointment of Director only.</b>		
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Mr. Simon A. Melhem is currently a director of the Company.	Mr. Low Chai Chong is currently a director of the following companies listed on the SGX-ST:
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		<ul style="list-style-type: none"> <li>- The Company</li> <li>- Pollux Properties Limited</li> <li>- Ramba Energy Limited</li> </ul>
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not applicable. This is a re-election of a Director and Mr. Simon A. Melhem has prior experience as a director of an issuer listed on the SGX-ST.	Not applicable. This is a re-election of a Director and Mr. Low Chai Chong has prior experience as a director of an issuer listed on the SGX-ST.



# FINANCIAL STATEMENTS





# Directors' Statement

For the financial year ended 31 December 2018

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2018 and the statement of financial position of the Company as at 31 December 2018.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 76 to 142 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are as follows:

Low Chai Chong  
 Mohammad Syahril  
 Irwan A. Dinata  
 Simon A. Melhem  
 Hwang Kin Soon Ignatius

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

## Directors' interests in shares and debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2018	At 1.1.2018	At 31.12.2018	At 1.1.2018
<b>Moya Holdings Asia Limited</b>				
(No. of ordinary shares)				
Simon A. Melhem	1,400,000	1,400,000	-	-
Ziyad F. Omar (resigned on 26 April 2018)	-	16,800,000	-	-

## Directors' Statement

For the financial year ended 31 December 2018

### Directors' interests in shares and debentures (continued)

- (b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Share Option Scheme as set out below and under "Share options" below.

	No. of unissued ordinary shares under option	
	At	At
	<u>31.12.2018</u>	<u>1.1.2018</u>
Simon A. Melhem	8,000,000	8,000,000

- (c) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2019 were the same as those as at 31 December 2018.

### Share options

#### (a) Moya Holdings Asia Limited Employee Share Option Scheme

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the group was granted.

The Company has an employee share option scheme known as the "Moya Holdings Asia Limited Employee Share Option Scheme" (the "MHAL ESOS"). The MHAL ESOS is administered by the Company's Remuneration Committee (the "Committee") whose function is to assist the board of directors in reviewing remuneration and related matters. The Committee is responsible for the administration of the MHAL ESOS.

Under the MHAL ESOS, options to subscribe for the ordinary shares of the Company are granted to full-time employees and/or directors (both executive and non-executive, subject to the absolute discretion of the Audit Committee). Controlling shareholders and their associates (both as defined in the SGX Listing Manual) are not eligible to participate in the MHAL ESOS.

The exercise price of the options is determined at the market price (defined as the average of the closing prices of the Company's ordinary shares as quoted on Singapore Exchange for the three market days immediately preceding the date of the grant) and/or at a discount to the market price. The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the MHAL ESOS, shall not exceed 15% of the issued shares capital of the Company on the day preceding that date.

The vesting of the options is conditional on the key management personnel or employees completing another one year of service to the Group (for market price options) and two years of service to the Group (for discounted options). Once the options are vested, they are exercisable for a period of five years for non-executive directors and ten years for all other employees. The options may be exercised in full or in part in respect of 1,000 shares or any multiple thereof, on the payment of the exercise price. There shall be no restriction on persons to whom the options have been issued to participate in any other share option or share incentive scheme.

For the financial year ended 31 December 2018

### Share options (continued)

#### (a) Moya Holdings Asia Limited Employee Share Option Scheme (continued)

The following table summarises information about director share options outstanding at the end of the reporting year:

Participant	No. of unissued ordinary shares of the Company under option			
	Grants in financial year ended 31.12.2018	Aggregate granted since commencement of scheme to 31.12.2018	Aggregate exercised since commencement of scheme to 31.12.2018	Aggregate outstanding as at 31.12.2018
<u>Director of the company</u>				
Simon A. Melhem	-	8,000,000	-	8,000,000 #

# Exercise price of S\$0.07. Exercise period from 24 May 2010 to 23 May 2020.

No participant has received 5% or more of the total number of the options available under the MHAL ESOS except for the above director. During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares. At the end of the reporting year, there were no unissued shares under option except for those disclosed in the above paragraphs.

#### (b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the MHAL ESOS outstanding at the end of the financial year was as follows:

<u>Grant Date</u>	<u>Exercise price outstanding</u>	<u>Exercise period</u>	<u>Number of shares at 31 December</u>	
			<u>2018</u> <u>'000</u>	<u>2017</u> <u>'000</u>
24 March 2009	5 cents	From 24 March 2009 to 23 March 2019	2,400	2,400
24 May 2010	7 cents	From 24 May 2010 to 23 May 2020	8,000	8,000
			<u>10,400</u>	<u>10,400</u>

There is a change in the number of unissued ordinary shares of the Company under option in relation to the MHAL ESOS outstanding due to exercise of options on 21 February 2019 to be as follows:

<u>Grant Date</u>	<u>Exercise price outstanding</u>	<u>Exercise period</u>	<u>Number of shares at 11 March 2019</u> <u>'000</u>
24 March 2009	5 cents	From 24 March 2009 to 23 March 2019	600
24 May 2010	7 cents	From 24 May 2010 to 23 May 2020	8,000
			<u>8,600</u>

# Directors' Statement

*For the financial year ended 31 December 2018*

## Share options (continued)

### (b) Share options outstanding (continued)

Following the exercise of options issued pursuant to the MHAL ESOS subsequent to year end, the total number of issued shares has increased from 4,201,385,943 shares to 4,203,185,943 shares on 21 February 2019.

## Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Low Chai Chong  
Hwang Kin Soon Ignatius  
Irwan A. Dinata

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2018 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

## Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

.....  
Low Chai Chong  
Director

.....  
Irwan A. Dinata  
Director

11 March 2019

# Independent Auditor's Report

## TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

### Report on the Audit of the Financial Statements

#### Our opinion

In our opinion, the accompanying consolidated financial statements of Moya Holdings Asia Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

#### *What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2018;
- the consolidated statement of financial position of the Group as at 31 December 2018;
- the statement of financial position of the Company as at 31 December 2018;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

#### Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

# Independent Auditor's Report

## TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p><b>1.Accounting for service concession arrangement</b></p> <p>(Refer to Note 3.1(a) relating to critical accounting estimate and Note 15 of the financial statements)</p> <p>The Group entered into a number of service concession arrangements with certain local government water agencies in Indonesia in respect of its water supply businesses.</p> <p>Certain of these service concession arrangements are accounted for using the Financial Asset Model, whilst others are accounted for using the Intangible Asset Model, in accordance with the requirements set out in SFRS(I) INT 12 <i>Service Concession Arrangements</i>.</p> <p>Under the Financial Asset Model, we focused on the split between the construction service consideration and the operating service consideration by reference to their relative fair values.</p> <p>The relative fair values requires management to apply significant judgement over the assumptions and estimates used in determining the projected cost for both the construction and operation services as well as the profit margin applied over the projected costs as the fair value of the revenues are derived from these inputs.</p>	<p>Our audit procedures in relation to the relative fair values of the construction and operation considerations in the Financial Asset Model included:</p> <ol style="list-style-type: none"> <li>1. Benchmarking the forecasted operating costs used in the Financial Asset model by comparing against actual costs of other existing service concession arrangement of the group.</li> <li>2. Benchmarking the forecasted profit margins of both the construction and operating services used in the Financial Asset Model by comparing against the average profit margin of existing service concession arrangement in the group as well as other water operator in the country.</li> </ol> <p>Based on our audit procedures, we found the assumptions and estimates used by management in determining the relative fair values of the construction service and operating service consideration in the Financial Asset Model of the service concession arrangement to be consistent with the evidence that we obtained.</p>

# Independent Auditor's Report

## TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p><b>2. Goodwill impairment assessment</b></p> <p>(Refer to Note 3.1(b) relating to critical accounting estimate and Note 16 of the financial statements)</p> <p>As at 31 December 2018, the Group's goodwill amounted to S\$73.3 million, accounting for 12% of the Group's total assets.</p> <p>The goodwill arises from the acquisition of Acuatico Pte. Ltd. and its subsidiaries ("APL Group") on 8 June 2017. The goodwill represents the expansion of the Group's business in water industry in Indonesia and also to increase the Group's production capacity.</p> <p>The Group is required to perform goodwill impairment assessment at least on an annual basis by comparing the recoverable amount of the cash generating unit ("CGU") to the carrying amount. The Group assessed the recoverable amount for each CGU based on the discounted cash flow of the underlying CGU which requires significant judgements in estimating key assumptions.</p> <p>We focused on this area because of the complexity of the assessment process, significant judgements and estimation uncertainties included in the discounted cash flow projection.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• In relation to management's goodwill impairment assessment, we have reviewed management's process for performing annual impairment assessment.</li> <li>• In respect of discounted cash flows ("DCF") : <ol style="list-style-type: none"> <li>1. Assessed the reasonableness of the forecasted cash flows by taking into consideration the relevant CGU's expected future operating performance (including revenue growth rates and net profit margins), as well as historical actual performance, and the general industry outlook;</li> <li>2. Assessed the reasonableness of the key assumptions, including discount rates applied using commonly accepted methodologies and benchmarks;</li> <li>3. Assessed the adequacy of the disclosures relating to the underlying estimates and assumptions; and</li> <li>4. Tested the mathematical accuracy of the underlying calculations.</li> </ol> </li> </ul> <p>Based on the audit procedures performed above, we found management's judgement in relation to the goodwill impairment assessment to be appropriately supported.</p>

# Independent Auditor's Report

## TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

### Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# Independent Auditor's Report

## TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Independent Auditor's Report

## TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

### **Auditor's Responsibilities for the Audit of the Financial Statements** (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tham Tuck Seng.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 11 March 2019

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	<u>Notes</u>	<u>Group</u> <u>2018</u> <u>S\$'000</u>	<u>Restated*</u> <u>2017</u> <u>S\$'000</u>
Revenue	5	189,292	132,017
Cost of sales	6	(104,002)	(77,184)
<b>Gross profit</b>		<b>85,290</b>	<b>54,833</b>
Administrative expenses	6	(37,249)	(25,375)
Finance income	8	9,943	4,571
Finance costs	9	(37,637)	(18,461)
Other income/(expense), net	10	16,395	(1,528)
<b>Profit before income tax</b>		<b>36,742</b>	<b>14,040</b>
Income tax expense	11A	(11,497)	(6,377)
<b>Profit for the year</b>		<b>25,245</b>	<b>7,663</b>
<b><u>Other comprehensive income/(loss):</u></b>			
Item that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plans		409	(30)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	21A	(9,816)	(11,817)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(9,407)</b>	<b>(11,847)</b>
<b>Total comprehensive income/(loss)</b>		<b>15,838</b>	<b>(4,184)</b>
Profit attributable to owners of the Company		25,169	7,590
Profit attributable to non-controlling interests		76	73
		<b>25,245</b>	<b>7,663</b>
Total comprehensive income/(loss)		15,762	(4,258)
attributable to owners of the Company		76	74
Total comprehensive income attributable to non-controlling interests		<b>15,838</b>	<b>(4,184)</b>
<b>Earnings per share ("EPS") for profit attributable to equity holders of the Company (\$ per share)</b>			
Earnings per share currency unit		<u>Cents</u>	<u>Cents</u>
Basic EPS	12A	0.72	0.27
Diluted EPS	12B	0.72	0.27

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - GROUP

As at 31 December 2018

	Notes	31 December 2018 S\$'000	Restated* 31 December 2017 S\$'000	1 January 2017 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	25,631	24,440	1,136
Service concession assets	15	354,175	353,827	68,601
Goodwill	16	73,324	71,728	-
Deferred income tax assets	11B	9,001	8,275	-
<b>Total non-current assets</b>		<b>462,131</b>	<b>458,270</b>	<b>69,737</b>
<b>Current assets</b>				
Inventories	18	4,929	4,228	1
Service concession assets	15	8,958	6,081	1,857
Trade and other receivables	17	38,383	43,246	5,974
Restricted cash in banks	24	5,996	4,613	-
Cash and cash equivalents	19	115,570	96,921	63,071
<b>Total current assets</b>		<b>173,836</b>	<b>155,089</b>	<b>70,903</b>
<b>Total assets</b>		<b>635,967</b>	<b>613,359</b>	<b>140,640</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	20	253,618	120,595	120,595
Retained earnings/(accumulated losses)		28,477	2,899	(1,867)
Other reserves	21	(13,390)	(3,574)	8,243
<b>Equity attributable to owners of the parent</b>		<b>268,705</b>	<b>119,920</b>	<b>126,971</b>
Non-controlling interests		1,629	610	536
<b>Total equity</b>		<b>270,334</b>	<b>120,530</b>	<b>127,507</b>
<b>Non-current liabilities</b>				
Provisions	23	20,841	25,480	789
Deferred income tax liabilities	11B	40,246	38,705	4,712
Borrowings	24	224,281	25,626	3,924
Trade and other payables	25	7,732	8,762	-
<b>Total non-current liabilities</b>		<b>293,100</b>	<b>98,573</b>	<b>9,425</b>
<b>Current liabilities</b>				
Provisions	23	1,961	615	-
Borrowings	24	38,911	364,093	688
Trade and other payables	25	31,661	29,548	3,020
<b>Total current liabilities</b>		<b>72,533</b>	<b>394,256</b>	<b>3,708</b>
<b>Total liabilities</b>		<b>365,633</b>	<b>492,829</b>	<b>13,133</b>
<b>Total equity and liabilities</b>		<b>635,967</b>	<b>613,359</b>	<b>140,640</b>

\* See Note 2.2 for details regarding the impact of changes in accounting policy.

## STATEMENT OF FINANCIAL POSITION - COMPANY

As at 31 December 2018

	Notes	31 December 2018 S\$'000	2017 S\$'000	1 January 2017 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	74	62	3
Investments in subsidiaries	14	182,507	114,656	91,751
<b>Total non-current assets</b>		<b>182,581</b>	<b>114,718</b>	<b>91,754</b>
<b>Current assets</b>				
Trade and other receivables	17	197	78	95
Cash and cash equivalents	19	63,074	66	24,337
<b>Total current assets</b>		<b>63,271</b>	<b>144</b>	<b>24,432</b>
<b>Total assets</b>		<b>245,852</b>	<b>114,862</b>	<b>116,186</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	20	253,618	120,595	120,595
Accumulated losses		(8,519)	(6,632)	(5,275)
Share option reserve	21B	591	591	591
<b>Total equity</b>		<b>245,690</b>	<b>114,554</b>	<b>115,911</b>
<b>Current liabilities</b>				
Trade and other payables	25	162	308	275
<b>Total current liabilities</b>		<b>162</b>	<b>308</b>	<b>275</b>
<b>Total liabilities</b>		<b>162</b>	<b>308</b>	<b>275</b>
<b>Total equity and liabilities</b>		<b>245,852</b>	<b>114,862</b>	<b>116,186</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2018

	Notes	Attributable to equity holders of the Company				
		Share Capital	Other Reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2018</b>						
<b>Balance as at 1 January 2018 as previously reported</b>		120,595	(7,133)	5,692	119,154	610
Adoption of SFRS(I) 15*	2.2(b)	-	3,559	(2,793)	766	-
<b>Balance as at 1 January 2018 as restated</b>		<b>120,595</b>	<b>(3,574)</b>	<b>2,899</b>	<b>119,920</b>	<b>610</b>
Profit for the year		-	-	25,169	25,169	76
Other comprehensive income for the year		-	(9,816)	409	(9,407)	-
Proceeds from shares issued, net		133,023	-	-	133,023	943
<b>Balance as at 31 December 2018</b>		<b>253,618</b>	<b>(13,390)</b>	<b>28,477</b>	<b>268,705</b>	<b>1,629</b>
<b>2017</b>						
<b>Balance as at 1 January 2017</b>		120,595	8,243	(1,867)	126,971	536
Profit for the year		-	-	7,590	7,590	73
Other comprehensive loss for the year		-	(15,376)	(31)	(15,407)	1
Balance as at 31 December 2017 as previously reported		120,595	(7,133)	5,692	119,154	610
Adoption of SFRS(I) 15*	2.2(b)	-	3,559	(2,793)	766	-
<b>Balance as at 31 December 2017 as restated</b>		<b>120,595</b>	<b>(3,574)</b>	<b>2,899</b>	<b>119,920</b>	<b>610</b>

\* See Note 2.2 for details regarding the impact of changes in accounting policy.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2018

		<u>Group</u>	<u>Restated*</u>
	Notes	<u>2018</u> S\$'000	<u>2017</u> S\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		153,404	94,002
Payments to suppliers, directors and employees		(74,883)	(46,097)
Payments of corporate income tax		(10,137)	(6,199)
<b>Net cash flows provided from operating activities</b>		<b>68,384</b>	<b>41,706</b>
<b>Cash flows from investing activities</b>			
Payment of constructions cost	15	(29,284)	(31,556)
Acquisition of fixed assets and other non-current assets		(7,385)	(4,520)
Interest received		2,495	4,571
Acquisition of subsidiaries, net of cash acquired	29B	-	(314,285)
<b>Net cash flows used in investing activities</b>		<b>(34,174)</b>	<b>(345,790)</b>
<b>Cash flows from financing activities</b>			
Issuance of ordinary shares		133,023	-
Proceeds from issuance of share capital subsidiary to non-controlling interest		943	-
Repayment of loan and payment of debt issuance cost		(406,244)	(100,038)
Proceeds from loan		296,328	462,623
Interest paid		(37,727)	(15,192)
Net increase in restricted cash in bank		(1,383)	(569)
<b>Net cash flows (used in)/provided from financing activities</b>		<b>(15,060)</b>	<b>346,824</b>
<b>Net increase in cash and cash equivalents</b>		<b>19,150</b>	<b>42,740</b>
Cash and cash equivalents at beginning of financial year		96,921	63,071
Net effect of exchange rate changes in cash		(501)	(8,890)
<b>Cash and cash equivalents at end of financial year</b>	19	<b>115,570</b>	<b>96,921</b>

### Reconciliation of liabilities arising from financing activities

	1 January 2018	Principal repayment and payment of debt issuance cost	Proceeds from bank loan	Non-cash changes			31 December 2018
				Amortisation of transaction cost	Gain on changes in interest rate of bank borrowings	Currency translation difference movement	
Bank borrowings	389,541	(406,244)	296,328	5,470	(6,215)	(15,773)	263,107

	1 January 2017	Principal payments	Proceeds from bank loan	Non-cash changes		31 December 2017
				Acquisition of subsidiaries	Currency translation difference movement	
Bank borrowings	4,372	(100,038)	462,623	30,586	(8,002)	389,541

\* See Note 2.2 for details regarding the impact of changes in accounting policy.

The accompanying notes form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. General information

Moya Holdings Asia Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 65 Chulia Street #37-08 OCBC Centre Singapore 049513.

The principal activities of the Company are that of an investment holding company. The principal activities of its subsidiaries are disclosed in Note 14.

The Company and its subsidiaries collectively will be referred to as the Group.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### 2.2 Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018. These financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group’s previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards (“SFRS”).

In adopting SFRS(I) on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group’s opening balance sheet has been prepared as at 1 January 2017, which is the Group’s date of transition to SFRS(I) (“date of transition”).

#### (a) Optional exemptions applied

##### (i) Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 December 2017. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.2 Adoption of SFRS(I) (continued)

##### (a) Optional exemptions applied (continued)

- (i) Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments* (continued)

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

- (ii) Practical expedients on adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 January 2018 and have used the practical expedients provided under SFRS(I) 15 related with contracts which were modified before the date of transition, the Group did not retrospectively restate the contract for those contract modifications.

##### (b) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I)

#### A. Adoption of SFRS(I) 15

There were no significant impacts to the Group's revenue recognition policy as a result of the adoption of SFRS(I) 15, except for the revenue recognition for connection fees in APL Group. Prior to the adoption of SFRS(I) 15, revenue from the connection fee is recognised immediately in profit or loss once the connection service has been performed. Based on SFRS(I) 15, the connection service is not a separate performance obligation from the obligation to provide customers with ongoing access to the Group's water facility network. Accordingly, the revenue from connection fees should be treated as deferred revenue and recognised over time. The impact of adoption of SFRS(I) 15 were solely related with balances as at 31 December 2017 while no impact on balances as at 1 January 2017 as acquisition of APL Group only took place on 8 June 2017 (after date of transition). The impact arising from the change in the revenue recognition policy is as follow:

	Notes	As at 31 December 2017 Reported under SFRS \$'000	Effects of applying SFRS(I) 15 \$'000	As at 31 December 2017 Reported under SFRS(I) \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	24,440	-	24,440
Service concession assets	15	353,827	-	353,827
Goodwill	16	62,179	9,549	71,728
Deferred income tax assets	11B	5,347	2,928	8,275
<b>Total non-current assets</b>		<b>445,793</b>	<b>12,477</b>	<b>458,270</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.2 Adoption of SFRS(I) (continued)

(b) *Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I)*  
(continued)

#### A. Adoption of SFRS(I) 15 (continued)

	Notes	As at 31 December 2017 reported under SFRS \$'000	Effects of applying SFRS(I) 15 \$'000	As at 31 December 2017 reported under SFRS(I) \$'000
<b>Current assets</b>				
Inventories	18	4,228	-	4,228
Service concession assets	15	6,081	-	6,081
Trade and other receivable	17	43,246	-	43,246
Restricted cash in banks		4,613	-	4,613
Cash and cash equivalents	19	96,921	-	96,921
<b>Total current assets</b>		<b>155,089</b>	<b>-</b>	<b>155,089</b>
<b>Total assets</b>		<b>600,882</b>	<b>12,477</b>	<b>613,359</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	20	120,595	-	120,595
Retained earnings/(accumulated losses)		5,692	(2,793)	2,899
Other reserves	21	(7,133)	3,559	(3,574)
<b>Equity attributable to owners of the parent</b>		<b>119,154</b>	<b>766</b>	<b>119,920</b>
Non-controlling interests		610	-	610
<b>Total equity</b>		<b>119,764</b>	<b>766</b>	<b>120,530</b>
<b>Non-current liabilities</b>				
Provisions	23	25,480	-	25,480
Deferred income tax liabilities	11B	38,705	-	38,705
Borrowings	24	25,626	-	25,626
Trade and other payables	25	-	8,762	8,762
<b>Total non-current liabilities</b>		<b>89,811</b>	<b>8,762</b>	<b>98,573</b>
<b>Current liabilities</b>				
Provisions	23	615	-	615
Borrowings	24	364,093	-	364,093
Trade and other payables	25	26,599	2,949	29,548
<b>Total current liabilities</b>		<b>391,307</b>	<b>2,949</b>	<b>394,256</b>
<b>Total liabilities</b>		<b>481,118</b>	<b>11,711</b>	<b>492,829</b>
<b>Total equity and liabilities</b>		<b>600,882</b>	<b>12,477</b>	<b>613,359</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.2 Adoption of SFRS(I) (continued)

- (c) There were no material adjustments to the Group's consolidated statement of financial position as at 1 January 2017, consolidated statement of comprehensive income and consolidated statement of cash flows arising from the transition from SFRS to SFRS(I).
- (d) Presentation of contracts assets arising from adoption of SFRS(I) 15 were recorded under "Intangible assets arising from service concession arrangements – Incompleted projects" as it performs the construction performance obligation. On completion of the obligation, it reclassifies the contract asset as an "Intangible assets arising from service concession arrangements – Ready to use" for its right to charge users of the service.

#### B. Adoption of SFRS(I) 9

As disclosed in Note 2.2(a)(i), the Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 December 2017.

At the same time, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9.

The accounting policies for financial instruments under SFRS(I) 9 is as disclosed in Note 2.10.

#### (i) Classification and measurement of financial assets

For financial assets held by the Group on 1 January 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9. There are no material reclassifications resulting from management's assessment.

#### (ii) Impairment of financial assets

The Group has the following financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- trade receivables recognised under SFRS(I) 15.
- financial assets arising from service concession arrangements.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Note 2.10 and Note 27C.

For trade receivables without a significant financing component, the Group applies the simplified approach to provide for expected credit losses prescribed by SFRS(I) 9 which requires the use of lifetime expected loss provision of all trade receivables. For trade receivables that contain a significant financing component, the Group has chosen to assess significant increase in credit risk over the life of the receivables in order to determine whether 12-month or lifetime expected credit losses need to be recognised by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

### 2. Significant accounting policies (continued)

#### 2.2 Adoption of SFRS(I) (continued)

##### B. Adoption of SFRS(I) 9 (continued)

##### (ii) Impairment of financial assets (continued)

Implementation of SFRS(I) 9 caused the changes in accounting policy of the Group. Based on management assessment, the impact on changes in measurement method of the impairment of trade receivables is not significant to retained earnings as at 1 January 2018.

Due to immaterial impact, the Group decided not to restate the comparative financial statements as at 1 January 2018 as stipulated in SFRS(I) 9 "Financial Instruments".

#### 2.3 Revenue

The adoption of SFRS(I) 15 has had no impact on the timing or amount of revenue recognised in relation to core water services, which are deemed to be distinct performance obligations under the contract with customers, though following the same pattern of transfer to the customer who simultaneously receives and consumes these services over time.

The main impact of adoption for the Group has been in respect of connection activities. Under SFRS(I) 15, the performance obligation associated with the connection activities is deemed to be satisfied over the period of time that water supply services are expected to be provided through the connection. These revenues are therefore deferred on the consolidated statement of financial position and recognised to profit or loss over the period of time that water supply services are expected to be provided through the connection.

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

##### (a) Water supply charges

Revenues generated by water supply are recognised based on volumes delivered to customers, either specifically metered and invoiced, or estimated based on the output of the supply networks.

##### (b) Construction revenue under service concession arrangements

Construction or upgrade services under service concession arrangements are recognised as revenue based on the percentage of completion of the work performed. The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.3 Revenue (continued)

##### (c) Operation and maintenance revenue under service concession arrangements

Operation and maintenance revenue arising from service concession arrangements is recognised when the services are rendered.

##### (d) Finance income under service concession arrangements

Finance income arising from service concession arrangements is recognised using the effective interest method.

##### (e) Connection fees and other services

Revenue from connection fees is recognised over the period of time that water supply services are expected to be provided through the connection. Other services are recognised when services are rendered.

#### 2.4 Group accounting

##### (a) Subsidiaries

###### (i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

###### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

### 2. Significant accounting policies (continued)

#### 2.4 Group accounting (continued)

##### (a) Subsidiaries (continued)

##### (ii) Acquisitions (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Goodwill" for the subsequent accounting policy on goodwill (Note 2.6).

##### (iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company (Note 2.8).

##### (b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

### 2.5 Property, plant and equipment

#### (a) Measurement

Property, plant and equipment ("PPE") are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Any trade discounts and rebates are deducted in arriving at the purchase price. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if there is such an obligation when acquiring or using the asset.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.5 Property, plant and equipment (continued)

##### (b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
New pipeline network	7 years
Leasehold land	25 years
Buildings	8 - 20 years
Furniture, fittings and office equipment	3 - 8 years
Motor vehicles	4 - 8 years
Plant and machinery	8 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

The accumulated costs of the construction of buildings and plants and the installation of machinery are capitalised as assets under construction in progress. Assets under construction are not depreciated.

##### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

##### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other income/(expense), net".

#### 2.6 Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

#### 2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

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### 2. Significant accounting policies (continued)

#### 2.7 Borrowing costs (continued)

The actual borrowing costs incurred for borrowings acquired specifically for the construction or development of qualifying assets, less any income earned on the temporary investment of such borrowings are capitalised. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures of qualifying assets.

#### 2.8 Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

#### 2.9 Impairment of non-financial assets

##### (a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

##### (b) Intangible assets, PPE, and investments in subsidiaries

Intangible assets, PPE and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.9 Impairment of non-financial assets (continued)

##### (b) Intangible assets, PPE, and investments in subsidiaries (continued)

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

#### 2.10 Financial assets

The accounting for financial instruments before 1 January 2018 are as follows:

##### (a) Classification and measurement

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value including directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets.

##### (b) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

##### (c) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the customer or a group of customers is experiencing significant financial difficulty, default or delinquency in billings, the probability that they will enter bankruptcy or other financial restructuring, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in sum of arrears or economic conditions that correlate with defaults.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

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### 2. Significant accounting policies (continued)

#### 2.10 Financial assets (continued)

The accounting for financial instruments before 1 January 2018 are as follows: (continued)

##### (c) Impairment (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised the previously recognised impairment loss will be reversed by adjusting an allowance account. The reversal will not result in the carrying amount of a financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date at which the impairment was reversed. The reversal amount will be recognised in profit or loss.

The accounting for financial instruments from 1 January 2018 are as follows:

##### (a) Classification and measurement

The Group classifies its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

##### At subsequent measurement

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortisation is included in profit or loss. The losses arising from impairment are also recognised in the profit or loss.

##### (b) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.10 Financial assets (continued)

The accounting for financial instruments from 1 January 2018 are as follows: (continued)

##### (c) *Impairment of financial assets carried at amortised cost*

At each reporting date, the Group assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### 2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.12 Service concession assets

##### (a) *Financial assets arising from service concession arrangements*

Financial assets arising from service concession arrangements represent the amounts due from the grantor for services provided by the Group in connection with service concession arrangements where the Group has an unconditional contractual right to receive cash from the grantor. Financial assets arising from service concession arrangements are measured initially at fair value and subsequently measured at amortised cost, i.e. the amount initially recognised plus the cumulative interest on that amount calculated using the effective interest method minus repayments. Financial assets arising from service concession arrangements are classified as current assets if they are expected to be settled within 12 months; otherwise, they are classified as non-current.

##### (b) *Intangible assets arising from service concession arrangements*

The Group recognises an intangible asset arising from service concession arrangements when it has a right to charge users of the infrastructure under the concession arrangements.

Enhancements or upgrades to existing infrastructure or the development of new infrastructure projects not ready for use are capitalised as incompleting projects. These accumulated costs are reclassified upon completion when the enhancement or upgrade to existing infrastructure or construction of new infrastructure is completed. Revenue associated from enhancement or upgrading of existing infrastructure or constructing of new infrastructure is recognised in accordance with revenue recognition policy in Note 2.3(b) to the financial statements.

Intangible assets ready for use are amortised using the straight line method over the life of the concession arrangement.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

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### 2. Significant accounting policies (continued)

#### 2.12 Service concession assets (continued)

##### (c) Contractual concession rights

Contractual concession rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Contractual concession rights are amortised using the straight line method. Refer to Note 3.1(d) for details of the periods used by the Group for this intangible asset.

#### 2.13 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

When there is modification of contractual cash flows of a financial liability that does not result to derecognition of that financial liability, adjustment to the amortised cost of the financial liability is made to reflect the changes in estimated contractual cash flows. The Group determines the amortised cost of the financial liability as the present value of the modified estimated future contractual cash flows that is discounted at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as gain or loss on modification of financial liabilities.

#### 2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

#### 2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis, less allowances for obsolescence. A provision for obsolete and slow moving inventory is determined on the basis of estimated future usage of individual inventory items.

#### 2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition. Deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

#### 2.18 Provisions

##### (a) Provision arising from service concession arrangements

Under the terms of the service concessions arrangements, the Group is responsible for operating and maintaining existing infrastructure and infrastructure related assets owned by local authorities, as well as any replacements of those assets and any new assets in the provision of services to customers in accordance with good operating practice. As such, on a regular basis, the Group is required to maintain and replace certain parts of assets within the infrastructure such as production pumps, production panel etc.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

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### 2. Significant accounting policies (continued)

#### 2.18 Provisions (continued)

##### (a) *Provision arising from service concession arrangements (continued)*

Since the Group is not specifically remunerated for its maintenance and other related activities, such obligations are recognised and measured in accordance with SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets, that is at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligations.

##### (b) *Other provisions*

Provisions for restructuring costs and legal claims and others are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

#### 2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

##### (a) *Post-retirement benefit obligations*

Pension schemes are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in relation to the defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating the terms of the related pension obligations. In countries where there is no deep market for such bonds, the market rates on government bonds are used.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.19 Employee compensation (continued)

##### (a) Post-retirement benefit obligations (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

##### (b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

##### (c) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

#### 2.20 Currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

### 2. Significant accounting policies (continued)

#### 2.20 Currency translation (continued)

##### *(b) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance costs". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other income/(expense), net".

##### *(c) Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

#### 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

#### 2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

#### 2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 2. Significant accounting policies (continued)

#### 2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

#### 2.25 Leases

Determination whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

Leases where the Group as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

The corresponding lease obligations, net of finance charges, are included in "finance lease liabilities". Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the term of the lease.

### 3. Critical accounting estimates, assumptions, judgements and errors

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 3.1 Critical accounting estimates, assumptions and judgements

##### (a) Service concession arrangements

Under the terms of its service concession arrangements, the Group performs more than one service (i.e. construction or upgrade services and operation services) under a single contract or arrangement. Since the amounts of consideration in the contract are not specifically split between the construction services consideration and the operating services consideration, the consideration receivable for the services provided under the service concession arrangements is allocated to the components by reference to their relative fair values. In determining the allocation, management applied significant judgement over the assumptions and estimates used in determining the projected cost for both the construction and operation services as well as the profit margin applied over the projected costs as the fair value of the revenues are derived from these inputs.

##### (b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 16, the recoverable amounts of the CGUs are determined in using fair value less cost to sell calculation. Cash flow projections used a discounted cash flow model. In making these estimates, management has relied on past performance and its expectations of market developments in Indonesia.

Specific estimates are disclosed in Note 16.

The change in the estimated recoverable amount from any reasonably possible change on the key estimates does not materially cause the recoverable amount to be lower than its carrying amount.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

### 3. Critical accounting estimates, assumptions, judgements and errors (continued)

#### 3.1 Critical accounting estimates, assumptions and judgements (continued)

##### *(c) Impairment of non-financial assets*

The determination of fair value less cost to sell or value in use requires management to make estimates and assumptions about expected volume of water billed and collected, cost of raw water, price of water charge, operating costs and discount rate. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may have an impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge be reduced with the impact recorded in profit or loss.

##### *(d) Amortisation period of the contractual concession rights intangible assets*

In the preparation of the Group's consolidated financial statements, management applies a significant judgement in determining the useful life of the contractual concession rights intangible assets. In amortising the contractual concession rights intangible assets, management has used the extended useful life assuming the current Service Concession Agreement ("CA") of PT Aetra Air Jakarta ("AAJ"), a subsidiary, will be extended for an additional period of 25 years, instead of up to its expiration in 2023.

Management is of the opinion that the use of the extended useful life of intangible assets beyond AAJ's concession period is appropriate based on the following considerations:

- Management believes that the CA of AAJ is renewable and the probability of concession renewal is high. Management is of the opinion that all conditions necessary to obtain renewal of the CA will be satisfied and the cost to AAJ of renewal is not significant compared to the future economic benefits that are expected to flow to AAJ from renewal of the CA.
- There are barriers to entry in the water supply industry and AAJ is the only party currently having such water supply arrangement with the local water authorities and is the only party with know-how and experience in running the operations having been the incumbent for the past 20 years.
- Based on the experience of similar operators in the Group and the country, the economic useful life of the intangible assets (being the water treatment facilities) exceeds the extended concession period.

As of the date of these consolidated financial statements, the renewal of the CA between AAJ and Perusahaan Daerah Air Minum Daerah Khusus Ibukota Jakarta/Municipal Office of Drinking Water Supply ("PAM JAYA") is not yet obtained. Consequently, it is possible that future operation results of the Group could be materially affected if AAJ could not obtain a renewal of its CA.

### 4. Related party relationships and transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 4. Related party relationships and transactions (continued)

#### 4A. Key management personnel compensation:

Key management personnel compensation is as follows:

	<b>2018</b> <b>S\$'000</b>	<b>Group</b> <b>2017</b> <b>S\$'000</b>
Salaries and other short-term employee benefits	4,203	2,962
Post-employment benefits	-	-

#### 4B. Transactions and balances with related parties:

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

	<b>2018</b> <b>S\$'000</b>	<b>Group</b> <b>2017</b> <b>S\$'000</b>
Interest income	89	97
Other receivable	3,739	3,685

The above related party transactions and balances are with PT Tamaris Prima Energi (an entity under common control).

### 5. Revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines.

	<b>At a point in time \$'000</b>	<b>Over time \$'000</b>	<b>Total \$'000</b>
<b>2018</b>			
Water supply charges	-	133,501	133,501
Construction revenue under service concession arrangements	-	28,293	28,293
Operation and maintenance revenue under service concession arrangements	-	7,932	7,932
Finance income under service concession arrangements	-	13,687	13,687
Connection fees	-	4,009	4,009
Other services	1,870	-	1,870
	<u>1,870</u>	<u>187,422</u>	<u>189,292</u>
<b>2017</b>			
Water supply charges	-	78,378	78,378
Construction revenue under service concession arrangements	-	32,904	32,904
Operation and maintenance revenue under service concession arrangements	-	8,568	8,568
Finance income under service concession arrangements	-	9,065	9,065
Connection fees	-	2,105	2,105
Other services	997	-	997
	<u>997</u>	<u>131,020</u>	<u>132,017</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 6. Expense by nature

	<u>Group</u>	
	<u>2018</u> S\$'000	<u>2017</u> S\$'000
Employee compensation (Note 7)	31,621	20,544
Construction cost	28,278	32,904
Amortisation (Note 15B and 15C)	25,782	14,307
Electricity	11,248	7,167
Raw water	9,590	5,195
Professional and consultancy fees	5,447	4,566
Depreciation (Note 13)	4,856	2,759
Office expenses	4,604	5,365
Customer services and water meter reading	3,877	2,005
Chemicals	3,014	2,016
Repairs and maintenance	2,968	1,633
Auditor's remuneration:		
- auditor's of the Company	105	90
- other auditors of subsidiaries	442	399
Non-audit fees paid to:		
- auditor's of the Company	55	61
- other auditors of subsidiaries	121	-
Others	9,243	3,548
Total cost of sales and administrative expenses	<u>141,251</u>	<u>102,559</u>

### 7. Employee compensation

	<u>Group</u>	
	<u>2018</u> S\$'000	<u>2017</u> S\$'000
Wages and salaries	28,223	16,338
Employee benefits (Note 23B)	3,398	4,206
	<u>31,621</u>	<u>20,544</u>

### 8. Finance income

	<u>Group</u>	
	<u>2018</u> S\$'000	<u>2017</u> S\$'000
Gain on changes in interest rate of the syndicated bank loans	6,215	-
Interest income from bank	3,728	4,571
	<u>9,943</u>	<u>4,571</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 9. Finance costs

	<u>2018</u> S\$'000	<u>Group</u> <u>2017</u> S\$'000
Interest expense		
- Bank borrowings	31,246	15,609
- Amortisation of deferred transaction costs	5,470	2,028
Accretion of provision for service concession arrangement (Note 23A)	620	805
Others	301	19
	<u>37,637</u>	<u>18,461</u>

### 10. Other income/(expense), net

	<u>2018</u> S\$'000	<u>Group</u> <u>2017</u> S\$'000
Gain/(loss) on foreign exchange	14,255	(39)
Other gain/(losses), net	2,140	(10)
Acquisition cost	-	(1,479)
	<u>16,395</u>	<u>(1,528)</u>

### 11. Income taxes

#### 11A. Income tax expense

	<u>2018</u> S\$'000	<u>Group</u> <u>2017</u> S\$'000
Current income tax	11,533	5,933
Deferred income tax	(36)	444
Income tax expense	<u>11,497</u>	<u>6,377</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<u>2018</u> S\$'000	<u>Group</u> <u>2017</u> S\$'000
Profit before tax	36,742	14,040
Tax calculated at tax rate of 17%	6,246	2,387
Effects of:		
- different tax rates in other countries	3,740	1,519
- expenses not deductible for tax purposes	808	949
- income not subject to tax	(589)	(485)
- utilisation of tax losses carried forward	(1,345)	(969)
- deferred taxation not recognised	2,637	2,976
Tax charge	<u>11,497</u>	<u>6,377</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 11. Income taxes (continued)

#### 11B. Deferred income taxes

The movement in deferred income tax assets and liabilities is as follows:

##### (i) Deferred income tax liabilities

##### 2018 Group

	1 January 2018 S\$'000	(Charged)/ credited to profit or loss S\$'000	Charged to equity S\$'000	Currency translation difference S\$'000	31 December 2018 S\$'000
Income from financial assets	(4,931)	(2,082)	-	225	(6,788)
Provisions	166	50	(13)	(9)	194
Difference between accounting and tax depreciation	15	(1)	-	-	14
Amortisation of financial assets	(1,174)	(624)	-	55	(1,743)
Profit recognised on service concession construction revenue	(718)	-	-	(74)	(792)
Intangible assets arising from acquisition/ fair value uplift from purchase price allocation	(32,063)	1,492	-	(560)	(31,131)
<b>Deferred tax liabilities</b>	<b>(38,705)</b>	<b>(1,165)</b>	<b>(13)</b>	<b>(363)</b>	<b>(40,246)</b>

##### 2017 Group

	1 January 2017 S\$'000	(Charged)/ credited to profit or loss S\$'000	Charged to equity S\$'000	Acquisition of subsidiary S\$'000	Currency translation difference S\$'000	31 December 2017 S\$'000
Income from financial assets	(3,460)	(1,819)	-	-	348	(4,931)
Provisions	190	(4)	(5)	-	(15)	166
Difference between accounting and tax depreciation	88	(1)	-	-	(72)	15
Amortisation of financial assets	(693)	(559)	-	-	78	(1,174)
Profit recognised on service concession construction revenue	(837)	-	-	-	119	(718)
Intangible assets arising from acquisition/ fair value uplift from purchase price allocation	-	891	-	(34,051)	1,097	(32,063)
<b>Deferred tax liabilities</b>	<b>(4,712)</b>	<b>(1,492)</b>	<b>(5)</b>	<b>(34,051)</b>	<b>1,555</b>	<b>(38,705)</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 11. Income taxes (continued)

#### 11B. Deferred income taxes (continued)

##### (ii) Deferred income tax assets

##### 2018 Group

	31 December 2017 as previously reported S\$'000	*Adoption of SFRS(I) 15 (Note 2.2(b)) S\$'000	31 December 2017 as restated S\$'000	Credited/ (charged) to profit or loss S\$'000	Credited to equity S\$'000	Currency translation difference S\$'000	31 December 2018 S\$'000
Difference between accounting and tax depreciation	145	-	145	1,661	-	(66)	1,740
Deferred revenue from connection fees	-	2,928	2,928	-	-	(135)	2,793
Provisions	5,202	-	5,202	(460)	(99)	(175)	4,468
<b>Deferred tax assets</b>	<b>5,347</b>	<b>2,928</b>	<b>8,275</b>	<b>1,201</b>	<b>(99)</b>	<b>(376)</b>	<b>9,001</b>

##### 2017 Group

	1 January 2017 S\$'000	Credited to profit or loss S\$'000	Credited to equity S\$'000	Acquisition of subsidiary S\$'000	Currency translation difference S\$'000	31 December 2017 as previously reported S\$'000	*Adoption of SFRS(I) 15 (Note 2.2(b)) S\$'000	31 December 2017 as restated S\$'000
Difference between accounting and tax depreciation	-	604	-	(532)	73	145	-	145
Deferred revenue from connection fees	-	-	-	-	-	-	2,928	2,928
Provisions	-	444	655	4,565	(462)	5,202	-	5,202
<b>Deferred tax assets</b>	<b>-</b>	<b>1,048</b>	<b>655</b>	<b>4,033</b>	<b>(389)</b>	<b>5,347</b>	<b>2,928</b>	<b>8,275</b>

\*See Note 2.2 for details regarding the adjustments to prior period financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

### 12. Earnings per share

#### 12A. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company with the weighted average number of ordinary shares outstanding during the financial year.

	2018	2017
Net profit attributable to equity holders of the Company (S\$'000)	25,169	7,590
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>3,491,563</u>	<u>2,800,924</u>
Basic earnings per share (cents per share)	<u>0.72</u>	<u>0.27</u>

#### 12B. Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of dilutive potential ordinary shares arising from share options. For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	2018	2017
Net profit attributable to equity holders of the Company (S\$'000)	<u>25,169</u>	<u>7,590</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	3,491,563	2,800,924
Adjustments for share options ('000)	<u>10,400</u>	<u>10,400</u>
	<u>3,501,963</u>	<u>2,811,324</u>
Diluted earnings per share (cents per share)	<u>0.72</u>	<u>0.27</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 13. Property, plant and equipment

Group 2018	New connection pipeline network S\$'000	Land and building S\$'000	Furniture, fittings and office equipment S\$'000	Motor vehicles S\$'000	Plant and machinery S\$'000	Assets under construction S\$'000	Total S\$'000
Cost							
Beginning of financial year	11,453	10,016	2,665	620	420	435	25,609
Additions	1,736	2	791	75	179	4,622	7,405
Transfer	3,816	-	966	-	-	(4,782)	-
Disposal	-	-	(10)	-	-	-	(10)
Currency translation difference	(665)	(587)	(805)	(84)	(19)	(18)	(2,178)
End of financial year	16,340	9,431	3,607	611	580	257	30,826
Accumulated depreciation							
Beginning of financial year	(961)	(226)	229	(122)	(89)	-	(1,169)
Depreciation for the year	(2,520)	(660)	(1,514)	(103)	(59)	-	(4,856)
Disposal	-	-	10	-	-	-	10
Currency translation difference	188	150	666	59	5	-	1,068
End of financial year	(3,293)	(736)	(609)	(166)	(143)	-	(4,947)
Accumulated impairment losses	-	(248)	-	-	-	-	(248)
<b>Net book value at the end of financial year</b>	<b>13,047</b>	<b>8,447</b>	<b>2,998</b>	<b>445</b>	<b>437</b>	<b>257</b>	<b>25,631</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 13. Property, plant and equipment (continued)

	New connection pipeline network S\$'000	Land and building S\$'000	Furniture, fittings and office equipment S\$'000	Motor vehicles S\$'000	Plant and machinery S\$'000	Assets under construction S\$'000	Total S\$'000
<b>Group 2017</b>							
<u>Cost</u>							
Beginning of financial year	-	-	835	523	361	-	1,719
Acquisition of subsidiaries	8,992	10,814	2,638	46	-	909	23,399
Additions	596	22	601	162	91	2,635	4,107
Transfer	2,618	32	432	-	-	(3,082)	-
Disposal	-	(121)	(64)	-	-	-	(185)
Currency translation difference	(753)	(731)	(1,777)	(111)	(32)	(27)	(3,431)
End of financial year	11,453	10,016	2,665	620	420	435	25,609
<u>Accumulated depreciation</u>							
Beginning of financial year	-	-	(424)	(113)	(46)	-	(583)
Depreciation for the year	(1,164)	(445)	(1,019)	(82)	(49)	-	(2,759)
Disposal	-	17	58	-	-	-	75
Currency translation difference	203	202	1,614	73	6	-	2,098
End of financial year	(961)	(226)	229	(122)	(89)	-	(1,169)
Net book value at the end of financial year	10,492	9,790	2,894	498	331	435	24,440
Net book value at the beginning of financial year	-	-	411	410	315	-	1,136

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 13. Property, plant and equipment (continued)

	Furniture, fittings and office equipment S\$'000
<b><u>Company</u></b>	
<b>2018</b>	
<b>Cost:</b>	
Beginning of financial year	69
Additions	43
Disposal	(6)
	<hr/> 106
End of financial year	<hr/> 106
<b>Accumulated depreciation:</b>	
Beginning of financial year	(7)
Depreciation for the year	(31)
Disposal	6
	<hr/> (32)
End of financial year	<hr/> (32)
Net book value at the end of financial year	<hr/> 74
<b>2017</b>	
<b>Cost:</b>	
Beginning of financial year	9
Disposal	60
	<hr/> 69
End of financial year	<hr/> 69
<b>Accumulated depreciation:</b>	
Beginning of financial year	(6)
Disposal	(1)
	<hr/> (7)
End of financial year	<hr/> (7)
Net book value at the end of financial year	<hr/> 62
Net book value at the beginning of financial year	<hr/> 3

#### Impairment losses on property, plant and equipment ("PPE")

In accordance with the Group's accounting policies, management tests its property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the recurring operating losses and negative operating cash flows of PT Acuatico Air Indonesia ("AAI"), management has performed impairment test of its fixed assets. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (CGU).

The Group used an income approach to assess the fair value less cost to sell as the recoverable value. The income approach comprises predicting the value of the future cash flows that a business will generate going forward. The discounted cash flow ("DCF") method was used which involves projecting cash flow and converting it to its present value equivalent through discounting. The discounting process uses a rate of return that is commensurate with the risks associated with the business or asset and the time value of money. This approach is considered as Level 3 under the fair value hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 13. Property, plant and equipment (continued)

Impairment losses on property, plant and equipment ("PPE") (continued)

The key assumptions used in the impairment testing are as follows:

Valuation method	<u>2018</u> Fair value less cost to sell
Cash flow period	2019 – 2043
Water tariff increase per year	Every 5 years
Discount rate	12%

The result of the impairment test showed that the carrying value of the Group's PPE exceeded the recoverable value and accordingly the Group's recorded an impairment loss on its fixed assets amounting to S\$248,000. This loss has been included as "other income/(expenses), net" in profit or loss.

### 14. Investment in subsidiaries

	<u>Company</u>		
	<u>31 December</u> <u>2018</u> S\$'000	<u>31 December</u> <u>2017</u> S\$'000	<u>1 January</u> <u>2017</u> S\$'000
<i>Equity investments at cost:</i>			
Beginning of financial year	114,656	91,751	-
Quasi-equity loan as part of net investments in subsidiaries	<u>67,851</u>	<u>22,905</u>	<u>91,751</u>
End of the financial year	<u>182,507</u>	<u>114,656</u>	<u>91,751</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 14. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2018 and 2017 and 1 January 2017:

Name of the company	Principal activities	Country of business/incorporation	31 December 2018		31 December 2017		1 January 2017		Proportion of ordinary shares held by non-controlling interests
			Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group	
			%	%	%	%	%	%	
Moya Indonesia Holdings Pte. Ltd.	Investment holding company	Singapore	100%	100%	100%	100%	100%	100%	-
Acumatica Pte. Ltd.	Investment holding company	Singapore	100%	100%	100%	100%	-	-	-
Moya Energy Holdings Pte. Ltd.*	Investment holding company	Singapore	100%	100%	-	-	-	-	-
Moya Energy Asia Pte. Ltd.*	Investment holding company	Singapore	100%	100%	-	-	-	-	-
PT Moya Indonesia	Management, technical advisory and technical analysis services in the clean water industry	Indonesia	100%	100%	100%	100%	100%	100%	-
PT Moya Tangerang	Supply and distribution of clean water	Indonesia	100%	100%	100%	100%	100%	100%	-
PT Moya Makassar	Supply and distribution of clean water	Indonesia	100%	100%	100%	100%	100%	100%	-

## 14. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2018 and 2017 and 1 January 2017 (continued):

Name of the company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by parent		Proportion of ordinary shares held by the Group 31 December 2018		Proportion of ordinary shares held by non-controlling interests		Proportion of ordinary shares held by the Group 31 December 2017		Proportion of ordinary shares held by non-controlling interests		Proportion of ordinary shares held by the Group 1 January 2017		Proportion of ordinary shares held by non-controlling interests	
			%	31 December 2018	%	31 December 2018	%	31 December 2018	%	31 December 2017	%	31 December 2017	%	1 January 2017	%	1 January 2017
PT Moya Bekasi Jaya	Supply and distribution of clean water	Indonesia	95%	95%	5%	5%	95%	95%	95%	95%	5%	5%	95%	95%	5%	5%
PT Aetra Air Jakarta	Supply and distribution of clean water	Indonesia	100%	100%	-	-	100%	100%	100%	100%	-	-	-	-	-	-
PT Aetra Air Tangerang	Supply and distribution of clean water	Indonesia	100%	100%	-	-	100%	100%	100%	100%	-	-	-	-	-	-
PT Acuatico Air Indonesia	Provision of management consultancy services in the clean water industry and supply and distribution of clean water	Indonesia	100%	100%	-	-	100%	100%	100%	100%	-	-	-	-	-	-
PT Air Semarang Barat*	Supply and distribution of clean water	Indonesia	75%	75%	25%	25%	-	-	-	-	-	-	-	-	-	-

As at 31 December 2018 and 2017, there is no subsidiary with material non-controlling interest.

\* PT Air Semarang Barat, Moya Energy Holdings Pte. Ltd. and Moya Energy Asia Pte. Ltd. were newly incorporated during 2018.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 15. Service concession assets

	Notes	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
Financial assets arising from service concession arrangements	15A	115,197	95,510	70,458
Intangible assets:				
- Service concession arrangements, net book value	15B	122,775	135,965	-
- Contractual concession rights, net book value	15C	125,161	128,433	-
		<u>363,133</u>	<u>359,908</u>	<u>70,458</u>
Current portion		8,958	6,081	1,857
Non-current portion		<u>354,175</u>	<u>353,827</u>	<u>68,601</u>
		<u>363,133</u>	<u>359,908</u>	<u>70,458</u>

### 15A. Financial assets arising from service concession arrangements

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
<b>Beginning of financial year</b>	95,510	70,458	47,033
Additions	15,691	25,263	15,069
Settled	(5,360)	(1,791)	(897)
Finance income under service concession arrangements	13,687	9,065	6,278
Currency translation differences	(4,331)	(7,485)	2,975
<b>End of financial year</b>	<u>115,197</u>	<u>95,510</u>	<u>70,458</u>
Current portion	8,958	6,081	1,857
Non-current portion	<u>106,239</u>	<u>89,429</u>	<u>68,601</u>
	<u>115,197</u>	<u>95,510</u>	<u>70,458</u>

On 18 August 2011 and 20 February 2012, the Group entered into two (2) service concession agreements ("agreements") with Indonesian municipal authority ("the grantor") to undertake the design, build, upgrade, uprate, operate and transfer ("BOT") of a fresh water treatment plant in Bekasi Regency and Tangerang City Area respectively. Under the terms of the BOT, the Group is responsible for the upgrading of existing plant and construction of a new water treatment plant. Upon completion of the upgrading and construction, the Group will operate the water treatment plants and sell treated water to the Indonesian municipal authority. The concession period of the agreements is 25 years. The Group will be responsible for any maintenance services required during the concession period.

The Group will receive the right to charge the grantor a fee for the treated water. The quantity of treated water chargeable is guaranteed to a minimum amount stipulated in the agreements. These guaranteed minimum amounts receivable are recognised as financial assets to the extent that the Group has contractual rights under the concession arrangements. As at the end of the concession period, the water treatment plants become the property of the grantor and the Group will have no further involvement or maintenance requirements.

The agreements do not contain renewal options. The standard rights of the grantor to terminate the agreements include poor performance by the Group and in the event of a material breach in terms of the agreements.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 15. Service concession assets (continued)

#### 15A. Financial assets arising from service concession arrangements (continued)

The standard rights of the Group to terminate the agreements include the failure of the grantor to make payment under the agreements, a material breach of the grantor obligations under the agreements, and any changes in law that would render it impossible for the Group to fulfil its obligation under the agreements.

Cash paid during the year in respect of additions of financial assets arising from service concession arrangements and additions of intangible assets arising from service concession arrangements (Note 15B) is presented as payment of constructions cost in the statement of cash flows.

#### 15B. Intangible assets - service concession arrangements

	<u>Ready to use</u> S\$'000	<u>Incomplete projects</u> S\$'000	<u>Total</u> S\$'000
<b>Group 2018</b>			
<u>Cost</u>			
Beginning of financial year	135,541	3,386	138,927
Additions	1,359	11,243	12,602
Transfers	12,173	(12,173)	-
Currency translation differences	(9,806)	(146)	(9,952)
End of financial year	139,267	2,310	141,577
<u>Accumulated amortisation</u>			
Beginning of financial year	(2,962)	-	(2,962)
Amortisation for the year	(19,810)	-	(19,810)
Currency translation differences	3,970	-	3,970
End of financial year	(18,802)	-	(18,802)
Net book value at the end of financial year	120,465	2,310	122,775
<b>Group 2017</b>			
<u>Cost</u>			
Beginning of financial year	-	-	-
Acquisition of subsidiary	144,104	1,929	146,033
Additions	614	7,027	7,641
Transfers	5,401	(5,401)	-
Currency translation differences	(14,578)	(169)	(14,747)
End of financial year	135,541	3,386	138,927
<u>Accumulated amortisation</u>			
Beginning of financial year	-	-	-
Amortisation for the year	(10,744)	-	(10,744)
Currency translation differences	7,782	-	7,782
End of financial year	(2,962)	-	(2,962)
Net book value at the end of financial year	132,579	3,386	135,965

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 15. Service concession assets (continued)

#### 15B. Intangible assets - service concession arrangements (continued)

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge users of the infrastructure under the concession arrangement.

Enhancements or upgrades to existing infrastructure or the development of new infrastructure projects not ready for use are capitalised as incomplete projects. These accumulated costs are reclassified upon completion when the enhancement or upgrade to existing infrastructure or construction of new infrastructure is completed. Revenue associated from enhancement or upgrading of existing infrastructure or constructing of new infrastructure is recognised in accordance with revenue recognition policy in Note 2.3 to the consolidated financial statements.

Bank borrowings are secured on intangible assets arising from service concession arrangements of the Group with amounted of S\$50.9 million (31 December 2017: \$nil) (Note 24(3)).

#### 15C. Intangible assets - contractual concession rights

	Group	
	2018 S\$'000	2017 S\$'000
<u>Cost</u>		
Beginning of financial year	131,996	-
Currency translation differences	2,735	(4,388)
Acquisition of subsidiary	-	136,384
End of financial year	<u>134,731</u>	<u>131,996</u>
<u>Accumulated amortisation</u>		
Beginning of financial year	(3,563)	-
Amortisation for the year	(5,972)	(3,563)
Currency translation differences	(35)	-
End of financial year	<u>(9,570)</u>	<u>(3,563)</u>
Net book value at the end of financial year	<u>125,161</u>	<u>128,433</u>

### 16. Goodwill

The goodwill arising from the acquisition of Acuatico Pte. Ltd. and its subsidiaries is attributable to the expansion of the Group's business in water industry in Indonesia and also to increase the Group's production capacity.

	Group	
	2018 S\$'000	Restated* 2017 S\$'000
<u>Cost</u>		
Beginning of financial year	71,728	-
Acquisition of subsidiary (Note 29C)		
- initial cost recognised	-	64,301
- impact from adoption SFRS(I) 15 (Note 2.2(b))	-	9,875
Currency translation differences	1,596	(2,448)
End of financial year	<u>73,324</u>	<u>71,728</u>

\*See Note 2.2 for details regarding the adjustments to prior period financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 16. Goodwill (continued)

#### Impairment test for goodwill

The recoverable amount was determined based on fair value less costs to sell. Cash flow projections used a discounted cash flow model, which is classified as fair value level 3 in the fair value hierarchy.

There was no impairment charges as at 31 December 2018. The key assumptions used in the impairment test as at 31 December 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Cash flow period	2019 - 2044	2018 - 2044
Discount rate	11.7 - 12.0%	12.0%
Average water tariff	IDR7,922 – IDR13,638/m <sup>3</sup>	IDR7,937 – IDR13,687/m <sup>3</sup>
Average volume produced incremental rate	3.25%	3%

The impairment test carried out as at 31 December 2018 for the CGU in Indonesia, which includes 100% of the goodwill recognised on the consolidated statement of financial position, has revealed that the recoverable amount of the CGU is S\$451 million or 22% higher than its carrying amount. A further increase in the discount rate by 3% would result in the recoverable amount of the CGU in Indonesia being equal to its carrying amount.

### 17. Trade and other receivables

	<u>Group</u>			<u>Company</u>		
	<u>31 December</u> <u>2018</u> <u>S\$'000</u>	<u>2017</u> <u>S\$'000</u>	<u>1</u> <u>January</u> <u>2017</u> <u>S\$'000</u>	<u>31 December</u> <u>2018</u> <u>S\$'000</u>	<u>2017</u> <u>S\$'000</u>	<u>1</u> <u>January</u> <u>2017</u> <u>S\$'000</u>
Trade receivables, non-related parties	34,220	37,322	1,787	-	-	-
Less: allowance for impairment of receivables	(820)	(1,306)	-	-	-	-
	<u>33,400</u>	<u>36,016</u>	<u>1,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables	4,983	7,230	4,187	197	78	95
	<u>38,383</u>	<u>43,246</u>	<u>5,974</u>	<u>197</u>	<u>78</u>	<u>95</u>

### 18. Inventories

	<u>Group</u>		<u>1 January</u> <u>2017</u> <u>S\$'000</u>
	<u>31 December</u> <u>2018</u> <u>S\$'000</u>	<u>2017</u> <u>S\$'000</u>	
Materials for projects	4,456	3,927	1
Chemicals	473	301	-
	<u>4,929</u>	<u>4,228</u>	<u>1</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 19. Cash and cash equivalents

	<u>Group</u>			<u>Company</u>	
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	1 January 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and on hand	53,179	74,316	35,558	33,074	66
Short term bank deposits	62,391	22,605	27,513	30,000	-
	<u>115,570</u>	<u>96,921</u>	<u>63,071</u>	<u>63,074</u>	<u>24,337</u>

### 20. Share capital

	2018		2017	
	<u>No. of ordinary shares</u>	<u>Amount</u>	<u>No. of ordinary shares</u>	<u>Amount</u>
	Issued share capital	Share capital S\$'000	Issued share capital	Share capital S\$'000
<u>Group and Company</u>				
Beginning of financial year	2,800,923,962	120,595	1,267,378,229	70,463
Issue of shares at S\$0.095 each, net	1,400,461,981	133,023	1,533,545,733	50,132
End of financial year	<u>4,201,385,943</u>	<u>253,618</u>	<u>2,800,923,962</u>	<u>120,595</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During 2018, 1,400,461,981 ordinary shares of no par value were issued for cash at S\$0.095 each. The newly issued shares rank pari passu in all respects with the previously issued shares.

### 21. Other reserves

	<u>Group</u>			<u>Company</u>		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Foreign currency translation reserve	(19,807)	(9,991)	1,826	-	-	-
Share option reserve	591	591	591	591	591	591
Capital reserve	5,826	5,826	5,826	-	-	-
Total	<u>(13,390)</u>	<u>(3,574)</u>	<u>8,243</u>	<u>591</u>	<u>591</u>	<u>591</u>

\*See Note 2.2 for details regarding the adjustments to prior period financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 21. Other reserves (continued)

#### 21A. Foreign currency translation reserve

	31 December 2018 S\$'000	Group Restated* 31 December 2017 S\$'000	1 January 2017 S\$'000
At the beginning of the year	(9,991)	1,826	(2,192)
Adoption of SFRS(I) 15 (Note 2.2(b))	-	3,559	-
Net currency translation differences on financial statements of foreign operations	(9,816)	(15,376)	4,018
At the end of the year	(19,807)	(9,991)	1,826

\*See Note 2.2 for details regarding the adjustments to prior period financial statements.

As of 31 December 2018, 2017 and 1 January 2017, the foreign currency translation reserve for non-controlling interests is considered immaterial.

#### 21B. Share option reserve

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000	31 December 2018 S\$'000	Company 31 December 2017 S\$'000	1 January 2017 S\$'000
Share option reserve	591	591	668	591	591	668
Forfeiture of share options	-	-	(77)	-	-	(77)
	591	591	591	591	591	591

#### 21C. Capital reserve

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
Capital reserve	5,826	5,826	5,826

Capital reserve comprised merger reserve which arose as a result of the difference between the considerations for the acquisition by the Company of Moya Asia Pte. Ltd. ("MAL") pursuant to the Restructuring Exercise and the Scheme and the issued share capital of MAL. The merger reserve is a non-distributable reserve.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 22. Share-based payments

#### 22A. Share options – the scheme

During the reporting year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

The Company has an employee share option scheme known as the “Moya Holdings Asia Limited Employee Share Option Scheme” (“MHAL ESOS”). The MHAL ESOS is administered by the Company’s Remuneration Committee (the “Committee”) whose function is to assist the board of directors in reviewing remuneration and related matters. The Committee is responsible for the administration of the MHAL ESOS and comprises three Directors, Hwang Kin Soon Ignatius and Low Chai Chong as at the end of the reporting year.

A summary of the MHAL ESOS is as follows:

(a) Eligibility

Persons eligible to participate in the MHAL ESOS include present and future full-time employees and directors (both executive and non-executive). Controlling shareholders and their associates (both as defined in the SGX Listing Manual) are not eligible to participate in the MHAL ESOS.

(b) Size of the MHAL ESOS

The aggregate number of shares to be delivered shall not exceed 15% of the total issued share capital of the Company from time to time.

(c) Exercise price

The exercise price of the options can be set at the market price (defined as the average of the last dealt prices for a share for the 3 consecutive trading days preceding the relevant date of grant of option) and/or at a discount to the market price not exceeding 20% of the market price.

The options can be exercised 1 year after the grant for market price options and 2 years for discounted options.

All options are granted at a nominal value of S\$1.00 and are settled by physical delivery of shares.

(d) Duration of MHAL ESOS

The options granted expire after 5 years from date of grant for non-executive directors and 10 years from date of grant for all other employees of the Group.

#### 22B. Activities under the share options scheme

The outstanding number of options at the end of the reporting year was:

<u>Exercise price outstanding</u>	<u>Grant date</u>	<u>Exercise period</u>	<u>Number of Shares at 31 December</u>	
			<u>2018</u> <u>'000</u>	<u>2017</u> <u>'000</u>
5 cents	24 March 2009	From 24 March 2009 to 23 March 2019	2,400	2,400
7 cents	24 May 2010	From 24 May 2010 to 23 May 2020	8,000	8,000
			<u>10,400</u>	<u>10,400</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 22. Share-based payments (continued)

#### 22B. Activities under the share options scheme (continued)

The table below summarises the number of options that were outstanding, their weighted average exercise price as at the end of the reporting year as well as the movements during the reporting year.

	<u>2018</u> <u>'000</u>	<u>2017</u> <u>'000</u>	<u>Weighted average</u> <u>exercise price</u> <u>2018</u> <u>cents</u>	<u>2017</u> <u>cents</u>
Balance at beginning of the year	10,400	10,400	6.5	6.5
Forfeited	-	-	-	-
Balance at end of the year	<u>10,400</u>	<u>10,400</u>	<u>6.5</u>	<u>6.5</u>

During the reporting year no option was granted at a discount.

The following table summarises information about director share options outstanding at the end of the reporting year:

<u>Participant</u>	<u>Grants in</u> <u>2018</u>	<u>Grants from</u> <u>start of</u> <u>scheme to</u> <u>end of 2018</u>	<u>Exercised/</u> <u>lapsed from</u> <u>start of scheme</u> <u>to end of 2018</u>	<u>Balance at</u> <u>31 December</u> <u>2018</u>
Director of the company Mr Simon A. Melhem	-	8,000,000	-	8,000,000 # a

# a Exercise price of S\$0.07. Exercise period from 24 May 2010 to 23 May 2020.

No participant has received 5% or more of the total number of the options available under the MHAL ESOS except for the above director.

#### 22C. Accounting for the share options

The Company has an employee share option scheme (the "MHAL ESOS") disclosed in Note 22A.

Activities under the MHAL ESOS are summarised in Note 22B above.

The following table summarises information about the share options outstanding at the end of the reporting year:

<u>Exercise price</u>	<u>Number</u> <u>outstanding</u> <u>'000</u>	<u>Number</u> <u>exercisable</u> <u>'000</u>	<u>Weighted average</u> <u>remaining life (years)</u>
5 cents	2,400	2,400	1.22
7 cents	8,000	8,000	2.39
	<u>10,400</u>	<u>10,400</u>	<u>3.61</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 23. Provisions

	Notes	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
<i>Current</i>				
Provisions arising from service concession arrangements	23A	1,961	615	-
<i>Non-current</i>				
Provisions arising from service concession arrangements	23A	8,404	11,246	-
Provisions for employee benefits	23B	12,437	14,234	789
		<b>20,841</b>	<b>25,480</b>	<b>789</b>
		<b>22,802</b>	<b>26,095</b>	<b>789</b>

#### 23A. Provisions arising from service concession arrangements

Movement in provisions arising from service concession arrangements as follows:

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000
Beginning of financial year	11,861	-
Acquisition of subsidiaries	-	11,535
Effect of changes in the discount rate	(799)	1,059
Provision utilised	(834)	(586)
Accretion expense (Note 9)	620	805
Currency translation differences	(483)	(952)
End of financial year	<b>10,365</b>	<b>11,861</b>
Less portion due within one year	<b>(1,961)</b>	<b>(615)</b>
Non-current portion	<b>8,404</b>	<b>11,246</b>

Under the terms of the service concessions arrangements for PT Aetra Air Jakarta and PT Aetra Air Tangerang, the Group is responsible for operating and maintaining existing infrastructure and infrastructure related assets owned by local authorities, as well as any replacements of those assets and any new assets in the provision of services to customers in accordance with good operating practice. As such, on a regular basis, the Group is required to maintain and replace certain parts of assets within the infrastructure such as production pumps, production panel etc.

Since the Group is not specifically remunerated for its maintenance and other related activities, such obligations are recognised and measured in accordance with SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets, that is at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligations.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 23. Provisions (continued)

#### 23B. Provisions for employee benefits

The amount recognised in the consolidated statement of financial position is determined as follows:

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
Present value of defined benefit obligations	32,816	33,185	789
Fair value of plan assets	(20,379)	(18,951)	-
Liability recognised in the balance sheet	12,437	14,234	789

The movement in the defined benefit obligations is as follows:

	Present value of obligation S\$'000	Fair value of plan assets S\$'000	Total S\$'000
<b>2018</b>			
Beginning of financial year	33,185	(18,951)	14,234
Current service cost	2,494	-	2,494
Interest expense/(income)	2,108	(1,236)	872
Past service cost and gains and losses on settlement	32	-	32
	4,634	(1,236)	3,398
Remeasurements:			
- Changes in financial assumptions	(1,843)	-	(1,843)
- Experience adjustments	1,683	-	1,683
- Return on plant assets, excluding amount included in interest income	-	(385)	(385)
	(160)	(385)	(545)
Benefit payments	(3,382)	3,421	39
Employer's contributions	-	(4,086)	(4,086)
Employees' contributions	-	(79)	(79)
Asset required	-	-	-
Translation adjustment	(1,461)	937	(524)
End of financial year	32,816	(20,379)	12,437
<b>2017</b>			
Beginning of financial year	789	-	789
Acquisition of subsidiaries	31,121	(18,525)	12,596
Current service cost	1,513	-	1,513
Interest expense/(income)	4,124	(1,445)	2,679
Past service cost and gains and losses on settlement	14	-	14
	5,651	(1,445)	4,206
Remeasurements:			
- Changes in financial assumptions	1,030	-	1,030
- Experience adjustments	(685)	-	(685)
- Return on plant assets, excluding amount included in interest income	-	(385)	(385)
	345	(385)	(40)
Benefit payments	(2,942)	2,921	(21)
Employer's contributions	-	(2,424)	(2,424)
Employees' contributions	-	(92)	(92)
Translation adjustment	(1,779)	999	(780)
End of financial year	33,185	(18,951)	14,234

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 23. Provisions (continued)

#### 23B. Provisions from employee benefits (continued)

The significant actuarial assumptions used were as follows:

	<u>2018</u> %	<u>2017</u> %
Discount rate	<b>7.85% - 8.65%</b>	5.85% - 7.75%
Salary growth rate	<b>7.00% - 8.00%</b>	7.00% - 8.00%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Change in assumption %	<u>Impact on defined benefit obligation</u>	
		Increase in assumption %	Decrease in assumption %
Discount rate	1%	Decrease by 3.41%	Increase by 3.25%
Salary growth rate	1%	Increase by 3.73%	Decrease by 3.89%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

Plan assets are comprised as follows:

	<u>31 December 2018</u>		<u>Group</u> <u>31 December 2017</u>		<u>1 January 2017</u>	
	S\$'000	%	S\$'000	%	S\$'000	%
<i>Assets with quoted market prices</i>						
Bonds	9,068	44.50	8,004	42.24	-	-
Government securities	5,261	25.81	5,297	27.95	-	-
Shares	1,006	4.94	1,163	6.14	-	-
					-	-
<i>Assets without quoted market prices</i>					-	-
Time deposit	4,499	22.07	4,038	21.30	-	-
Land and building	440	2.16	283	1.49	-	-
Direct investment	58	0.29	68	0.36	-	-
On call deposit	47	0.23	98	0.52	-	-
Total	<u>20,379</u>	<u>100</u>	<u>18,951</u>	<u>100</u>	<u>-</u>	<u>-</u>

Expected contributions to post-employment benefit plans for the year ending 31 December 2018 are S\$2.6 million.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 23. Provisions (continued)

#### 23B. Provisions from employee benefit obligations (continued)

The weighted average durations of the defined benefit obligation of relevant entities within the Group are in the range of 3.15 years to 16.73 years.

Expected maturity analysis of undiscounted pension benefits of the Group is as follows:

At 31 December 2018	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Pension benefits	S\$2.6 million	S\$2.5 million	S\$10.2 million	S\$102.8 million	S\$118.1 million

### 24. Borrowings

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
<u>Current</u>			
Bank loans			
Syndication banks	39,140	-	-
PT Bank OCBC NISP Tbk. ("OCBC NISP – Indonesia")	879	576	616
OCBC Ltd. – Singapore	-	320,852	-
PT Bank Mega Tbk. ("Bank Mega")	-	46,513	-
Deferred transaction costs	(1,108)	(3,959)	-
Finance lease liabilities	-	111	72
	<u>38,911</u>	<u>364,093</u>	<u>688</u>
<u>Non-current</u>			
Bank loans			
Syndication banks	200,689	-	-
OCBC NISP – Indonesia	27,727	25,999	3,798
Deferred transactions costs	(4,220)	(440)	(42)
Finance lease liabilities	85	67	168
	<u>224,281</u>	<u>25,626</u>	<u>3,924</u>

#### 1. OCBC NISP – Indonesia

##### PT Moya Tangerang ("MT")

On 3 May 2017, MT entered into a term loan facility agreement with OCBC NISP – Indonesia with details as follows:

Type	Limit	Terms	Interest payment period	Quarter interest rate
Term Loan ("TL")	IDR365 billion	120 months	Quarterly	Prime lending rate

The purpose of the loan facility was to finance and/or refinance and/or repay the outstanding letter of credit in relation to the capital expenditures of BOT project in Tangerang, Indonesia. As at 31 December 2018, MT has drawn down IDR150.7 billion out of the facility amount.

The term loan facility agreement is secured by the following items:

1. Fiduciary guarantee on MT's receivables, in the amount of IDR8 billion.
2. Pledge of shares owned by MI in MT.
3. Pledge of MT's Debt Service Reserve Account ("DSRA")
4. Corporate guarantee from MHAL and MI.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 24. Borrowings (continued)

#### 1. OCBC NISP – Indonesia (continued)

##### PT Moya Tangerang (“MT”) (continued)

Cash in the DSRA is presented as restricted cash in banks in the consolidated statement of financial position.

Financial covenants for the term loans are as follows:

1. MT shall maintain the Adjusted Debt-to-Equity Ratio (“DER”) of not more than 2.50.
2. Starting 1 January 2019, MT shall maintain the Debt Service Coverage Ratio (“DSCR”) of not less than 1.00.

As at 31 December 2018, MT has complied with the financial covenants set out in the loan facility agreement.

##### PT Moya Bekasi Jaya (“MB”)

On 29 June 2016, MB entered into a term loan facility agreement with OCBC NISP – Indonesia with details as follows:

Type	Limit	Terms	Interest payment period	Quarter interest rate
TL 1	IDR42.7 billion	69 months	Quarterly	Prime lending rate
TL 2	IDR123 billion	96 months	Quarterly	Prime lending rate

The purpose of the loan facility was to (a) refinance the amounts due to MI in relation to the past construction expenditures of BOT project in Bekasi, Indonesia, and (b) finance future expenditures of BOT project in Bekasi, Indonesia. As at 31 December 2018, MB has fully drawn down all the facility of TL 1 and TL 2.

The term loan facility agreement is secured by the following items:

1. Fiduciary guarantee on MB’s receivables, in the amount of IDR35 billion.
2. Pledge of shares owned by MI in MB.
3. Pledge of MB’s DSRA.
4. Corporate guarantee from MHAL and MI.

Cash in the DSRA is presented as restricted cash in banks in the consolidated statement of financial position.

Financial covenants for the loan are as follows:

1. MB shall maintained the Adjusted DER of not more than 1.5.
2. Starting 1 January 2019, MB shall maintain the DSCR of not less than 1.00.

As at 31 December 2018, MB has complied with the financial covenants set out in the loan facility agreement.

#### 2. OCBC Ltd. – Singapore

##### Moya Indonesia Holdings Pte Ltd (“MIH”)

On 22 May 2017, MIH entered into a term loan facility agreement with OCBC Ltd. with details as follows:

Type	Limit	Terms	Interest payment period	Annual interest rate
TL	US\$275 million	18 months	Quarterly	LIBOR 3 months +3.5% for the first 12 months and subsequently, LIBOR 3 months +4%

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 24. Borrowings (continued)

#### 2. OCBC Ltd. – Singapore (continued)

##### Moya Indonesia Holdings Pte Ltd (“MIH”) (continued)

The purpose of the loan facility was to finance the Group in the acquisition of APL Group in 2017 (Note 29). Moya Indonesia Holdings Pte. Ltd. (“MIH”) has fully drawn down the loan facility in 2017.

The loan facility is secured by the following:

1. Corporate guarantee from MHAL;
2. Pledge of shares owned by Anthoni Salim in PT Indoritel Makmur Internasional Tbk.;
3. Pledge of shares owned by First Pacific Investment Limited in First Pacific Company Limited;
4. Pledge of shares owned by PT Tamaris Prima Energi (“TPE”) and APL in AAJ, AAT and AAI; (related parties)
5. Charge over account.

Financial covenants for the TL are as follows:

1. Maintain Debt Service Reserve Account (“DSRA”) with minimum balance in the amount of US\$3.2 million.
2. Maintain the ratio of Total Security Value to the aggregate principal amount of loans (“Security Cover”) to be not less than 0.3:1.00.

As at 31 December 2018, the loan has been fully repaid.

#### 3. Syndication banks

##### PT Aetra Air Jakarta (“AAJ”)

On 8 January 2018, AAJ entered into a loan syndication agreement with PT Bank Central Asia Tbk. (“BCA”), OCBC NISP - Indonesia and PT Bank China Construction Bank Indonesia Tbk. (“CCB”) amounting to IDR2,150 billion for Facility 1 with a term of 5 years and IDR250 billion for Facility 2 with a term of 1 year.

AAJ has fully drawn down Facility 1 of the syndicated loan and the proceeds have been used to repay all the short term loan to Bank Mega and long term loan to MIH. Proceeds from Facility 2 of the syndicated loan is planned to be used for working capital purpose.

On 10 April 2018, AAJ, BCA, OCBC NISP - Indonesia and CCB agreed to transfer part of Facility 1 of syndicated loan to PT Indonesia Infrastructure Finance (“IIF”) amounted to IDR217.2 billion. There are no changes to the terms and conditions of the syndicated loan arising from this transfer.

On 26 November 2018, all parties have agreed to amend the interest rate charges for the syndicated loan from JIBOR 1 month + 4.5% to JIBOR 1 month + 3.5% for Facility 1 and from JIBOR 1 month + 4.25% to JIBOR 1 month + 3.35% for Facility 2.

Information related to the loan facility based on latest amendment are as follows:

Type	Limit	Terms	Interest payment period	Annual interest rate
Facility 1	IDR2.150 billion	60 months	Monthly	JIBOR 1 month + 3.5%*
Facility 2	IDR200 billion	12 months	Monthly	JIBOR 1 month + 3.35%**

\* Minimum applicable interest rate 9.5%

\*\* Minimum applicable interest rate 9.25%

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 24. Borrowings (continued)

#### 3. Syndication banks (continued)

##### PT Aetra Air Jakarta ("AAJ") (continued)

The loan facility is secured by the following:

1. Corporate guarantees from MHAL and APL.
2. Pledge over the issued shares of AAJ held by APL.
3. Pledge over the issued shares of AAJ held by TPE.
4. Charge over the issued shares of APL held by MIH.
5. Pledge over DSRA (BCA and OCBC NISP - Indonesia), escrow account (BCA), revenue account (BCA), operational account (BCA and OCBC NISP) and treasury account (BCA, OCBC NISP - Indonesia, CCB and Bank Mega) of AAJ.

Cash in the DSRA is presented as restricted cash in banks in the consolidated statement of financial position.

Financial covenants for the TL are as follows:

1. AAJ shall maintains the DSCR at the minimum of 110%;
2. AAJ shall maintains the Liabilities to Tangible Net Worth Ratio at the maximum of 3 times;
3. AAJ shall maintains the Current Ratio at the minimum of 1 time.

As at 31 December 2018, all of these financial covenants have been met and there were unused Facility 2 amounted to IDR200 billion.

##### PT Aetra Air Tangerang ("AAT")

On 8 January 2018, AAT entered into a loan syndication agreement with BCA, OCBC NISP - Indonesia, and CCB amounting to IDR800 billion for Facility 1 with a term of 10 years and IDR25 billion for Facility 2 with a term of 1 year.

AAT will use proceeds from Facility 1 of the syndicated loan to repay the loan to MIH. Proceeds from Facility 2 is planned to be used for working capital purpose.

On 12 April 2018, AAT, BCA, OCBC NISP - Indonesia and CCB agreed to transfer part of Facility 1 to IIF amounted IDR82.7 billion. There are no changes to the terms and conditions for the syndicated loan related to this transfer.

On 26 November 2018, all parties agreed to amend the amount of margin for calculation of interest rate from JIBOR 1 month + 4.75% to JIBOR 1 month + 3.75% for Facility 1 only.

Information related to the loan facility based on latest amendment are as follows:

Type	Limit	Terms	Interest payment period	Annual interest rate
Facility 1	IDR800 billion	120 months	Monthly	JIBOR 1 month + 3.75%*
Facility 2	IDR25 billion	12 months	Monthly	JIBOR 1 month + 4.25%**

\* Minimum applicable interest rate 9.75%

\*\* Minimum applicable interest rate 9.25%

The loan facility is secured by the following:

1. Corporate guarantees from MHAL and APL;
2. Pledge over the issued shares of AAT held by APL;
3. Pledge over the issued shares of AAT held by PT Tamaris Prima Energi ("TPE");
4. Charge over the issued shares of APL held by MIH;
5. Pledge over DSRA (BCA and OCBC NISP), escrow account (BCA), revenue account (BCA), operational account (BCA and OCBC NISP) and treasury account (BCA, OCBC NISP - Indonesia, CCB and Bank Mega) of AAT;
6. Charge over the insurance policies held by AAT;

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 24. Borrowings (continued)

#### 3. Syndication banks (continued)

##### PT Aetra Air Tangerang (“AAT”) (continued)

The loan facility is secured by the following: (continued)

7. Mortgage of land held by AAT;
8. Charge over the intangible assets - service concession arrangements held by AAT (Note 15(B)).

Cash in the DSRA is presented as restricted cash in banks in the consolidated statement of financial position.

Financial covenants for the TL are as follows:

1. AAT shall maintains the DSCR at the minimum of 110%;
2. AAT shall maintains the Liabilities to Tangible Net Worth Ratio at the maximum of 3 times;
3. AAT shall maintains the Current Ratio at the minimum of 1 time.

As at 31 December 2018, all of these financial covenants have been met and unused Facility 2 amounted to IDR25 billion.

#### 4. Bank Mega

##### PT Aetra Air Jakarta

On 27 October 2017, the Group obtained a working capital loan facility from Bank Mega with details as follows:

Type	Limit	Terms	Interest payment period	Quarter interest rate
Working Capital	IDR472.5 billion	4 months	Quarterly	13%

The purpose of the loan facility was to bridging loan for repayment to MIH.

The loan is secured by:

1. Share pledge owned by PT GMT Kapital Asia and PT Tamaris Kapital in TPE.
2. Corporate Guarantee from MHAL.

As at 31 December 2018, the loan have been fully repaid.

### 24A. Fair value of borrowings

Management believes that the carrying amounts of the Group's borrowings approximate their fair values as at 31 December 2018 and 2017. All of the Group's long-term borrowings are charged with a floating interest rate.

### 24B. Undrawn borrowing facilities

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
Expiring within one year	41,429	-	-
Expiring above one year	-	25,081	-
Total	41,429	25,081	-

The facilities expiring within one year from the balance sheet date are facilities subject to annual review at various dates during 2019. The facilities are arranged mainly for funding and/or refunding the capital expenditures related to the construction of water treatment project.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 25. Trade and other payables

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000	Company 31 December 2018 S\$'000	31 December 2017 S\$'000	1 January 2017 S\$'000
<u>Trade payables:</u>						
Non-related parties	2,327	2,545	116	-	-	-
<u>Other payables:</u>						
Accruals and other payables	25,874	24,054	2,904	162	308	275
Deferred revenue	11,192	11,711	-	-	-	-
Total trade and other payables	39,393	38,310	3,020	162	308	275
Current portion	31,661	29,548	3,020	162	308	275
Non-current portion	7,732	8,762	-	-	-	-
	39,393	38,310	3,020	162	308	275

The amounts related with deferred revenue is balance from the revenue from connection fees that were treated as deferred revenue and recognised over time as a results of the adoption of SFRS(I) 15 for connection fees in APL.

### 26. Commitments and contingencies

#### 26A. Capital commitments

The amounts committed at the end of the reporting year for future expenditure but not recognised in the consolidated financial statements are as follows:

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
Commitments in respect of contracts placed for service concession arrangements	62,383	82,414	12,437

#### 26B. Citizen's lawsuit by Tim Advokasi Hak Atas Air (the Right to Water Advocacy Team)

On 21 November 2012, 14 individuals domiciled in Jakarta represented by their counsels joined in Tim Advokasi Hak Atas Air (the Right to Water Advocacy Team) (the "Plaintiffs") filed a "Citizen's Lawsuit" at Central Jakarta District Court against several Defendants (the President of the Republic of Indonesia, Vice President of the Republic of Indonesia, Minister of Public Works, Minister of Finance, DKI Jakarta Governor, Regional House of Representatives DKI Jakarta, PAM Jaya) and a subsidiary of the Group (Aetra Air Jakarta – "AAJ") as "Co- Defendant II". In the lawsuit, registered under Civil Case No. 527/Pdt.G/2012/PN. Jkt. Pst., the Plaintiffs request to terminate the policy on privatisation of drinking water in Jakarta.

On 24 March 2015, the Central Jakarta District Court has rendered its decision in relation to this case to accept part of the Plaintiff's claims. AAJ filed an appeal to the DKI Jakarta High Court for the Court's decision in March 2015.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 26. Commitments and contingencies (continued)

#### 26B. Citizen's lawsuit by Tim Advokasi Hak Atas Air (the Right to Water Advocacy Team) (continued)

On 5 January 2016, the DKI Jakarta High Court has rendered its decision to accept AAJ's appeal. On 28 March 2016, the Plaintiffs have appealed such decision to the Supreme Court.

On 21 November 2017, the Supreme Court has rendered its decision to partly accept the Plaintiff's claims. Management believes that the Supreme Court decision will not have any significant impact to the AAJ's business until the end of concession. Management opinion is supported by the legal opinion from independent consultants.

On 21 March 2018, the Indonesian Finance Ministry has submitted a judicial review challenging the Supreme Court's decision. On 30 November 2018, the Supreme Court has rendered its decision to accept in full, the judicial review submitted by the Indonesian Finance Ministry. However, up to the issuance date of these consolidated financial statements, the copy of the Supreme Court's decision is yet to be available for public.

Management based on advice from its legal advisors, is of the opinion that the Supreme Court's decision is in favour of the AAJ, as such they believe that there will be no significant impact from this lawsuit to the AAJ's business until the end of service concession period.

### 27. Financial risk management

#### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. Management has certain practices for managing financial risks. However, these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.

#### 27A. Currency risk

The Group operates in Asia with dominant operations in Indonesia. Entities in the Group transacts predominantly in their respective functional currencies. Currency risk arises within entities in the Group when transactions entered into are denominated in currencies other than those of their respective functional currencies.

The Group is exposed to currency risk arising from IDR and USD, primarily with respect to borrowings, cash and cash equivalents and intra-group receivables and payables.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 27. Financial risk management (continued)

#### 27A. Currency risk (continued)

The following is the summary of significant balances as provided to key management:

	USD - IDR '000	USD - SGD '000
<u>Group</u>		
<u>At 31 December 2018</u>		
Financial assets		
Cash and cash equivalents	-	10,052
Intra-group receivables *	181,160	-
	<hr/>	<hr/>
Financial liabilities		
Intra-group payables*	(23,381)	-
	<hr/>	<hr/>
<b>Net currency exposure</b>	<b>157,779</b>	<b>10,052</b>
	<hr/>	<hr/>
	USD - IDR '000	USD - SGD '000
<u>Group</u>		
<u>At 31 December 2017</u>		
Financial assets		
Cash and cash equivalents	-	15,281
Intra-group receivables*	160,585	-
	<hr/>	<hr/>
Financial liabilities		
Borrowings	-	(321,600)
	<hr/>	<hr/>
<b>Net currency exposure</b>	<b>160,585</b>	<b>(306,319)</b>
	<hr/>	<hr/>
		USD '000
<u>Group</u>		
<u>At 1 January 2017</u>		
Financial assets		
Cash and cash equivalents		26,585
		<hr/>
<b>Net currency exposure</b>		<b>26,585</b>
		<hr/>

\* Foreign currency intra-group receivables and payables that do not form part of the net investment in a foreign operation are included in the sensitivity analysis for currency risk because even though these intra-group receivables and payables are eliminated in the consolidated statement of financial position, the effect on the profit or loss from their foreign currency translation is not fully eliminated.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 27. Financial risk management (continued)

#### 27A. Currency risk (continued)

If the SGD and IDR change against the USD by 10% (31 December 2017: 10%; 1 January 2017: 10%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liabilities/assets that are exposed to currency risk will be as follows:

	Increase/(Decrease)		
	31 December 2018	31 December 2017	1 January 2017
	Profit after tax S\$	Profit after tax S\$	Profit after tax S\$
Group			
SGD against USD			
- Strengthened	(754)	22,974	(2,417)
- Weakened	754	(22,974)	2,417
IDR against USD			
- Strengthened	(11,833)	(12,043)	-
- Weakened	11,833	12,043	-

The Company is not exposed to currency risk. Impact of currency risk within the Company is not significant.

#### 27B. Interest rate risks

The Group periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

The Group's interest rate risk arises mainly from borrowings. The interest rate risk from cash and cash equivalents is not significant and receivables are not interest bearing. Borrowing issued at variable rates expose the Group to cash flow interest rate risk. Borrowing issued at fixed rates expose the Group with fair value interest risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's borrowings bear variable interest rates. As such, the Group is mainly exposed to cash flow interest rate risks.

As at 31 December 2018, if interest rates on bank borrowings, which bear variable interest rates, had been 0.1% higher/lower with all other variables held constant, the pre-tax profit for the year would have been S\$296,917 lower or higher (2017: S\$389,540 lower or higher, 1 January 2017: S\$4,371 lower or S\$4,372 higher).

The financial assets arising from service concession arrangements (Note 15A) is not subjected to interest rate risk. These assets are carried at amortised costs using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 27. Financial risk management (continued)

#### 27C. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are bank deposits and receivables.

Credit risk on bank deposits is limited because counter parties are entities with acceptable credit rating.

Credit risk from customers is mitigated by the Group's management through a series of actions to improve receivables collection, such as increasing the number of location of payment points, establishment of bill payment facilities resulting from cooperation with financial institution, and direct collection from the customer's premises. In addition, management tries to improve the number of key account customers mainly from the industrial sector. It is expected that this will reduce the impact of credit risk customers.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the consolidated statement of financial position.

The movements in credit loss allowance are as follows:

	<b>Group</b>
	<b>31 December 31 December</b>
	<b>2018 2017</b>
	<b>S\$'000 S\$'000</b>
Beginning of financial year	1,306 -
Acquisition of subsidiaries	- 3,557
Allowance made	543 141
Allowance utilised	(975) (2,333)
Currency translation difference	(54) (59)
End of financial year	<u>820</u> <u>1,306</u>

As at 31 December 2018 and 2017, there is no credit loss allowance made for the financial assets arising from service concession arrangements.

#### **Trade receivables and financial assets arising from service concession arrangements**

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due, whilst for financial assets arising from service concession arrangements, the Group uses individual analysis for each customer.

In calculating the expected credit loss rates, the Group considers historical loss rates for each customers and/or category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation rate and the unemployment rate of the areas in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and financial assets arising from service concession arrangements are written-off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 27. Financial risk management (continued)

#### 27C. Credit risk (continued)

##### **Trade receivables and financial assets arising from service concession arrangements** (continued)

The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days when they fall due, and writes off the receivables thereafter. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. The Group's credit risk exposure in relation to trade receivables and financial asset arising from service concession arrangement under SFRS(I) 9 as at 31 December 2018 are set out in the provision matrix as follows:

As at 31 December 2018	Past due					Total
	Current	Within 30 days	30 to 60 days	60 to 90 days	More than 90 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
<b>Trade receivables</b>						
Expected loss rate	0.42%	0.55%	2.00%	7.30%	7.60%	2.40%
Trade receivables	13,288	10,086	1,896	3,006	5,944	34,220
Loss allowance	(56)	(55)	(38)	(219)	(452)	(820)

Other than the above, there are no credit loss allowance for other financial assets as at 31 December 2018.

##### **Previous accounting policy for impairment of trade receivables and financial assets from service concession arrangements**

In 2017, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 180 days overdue).

The Group's credit risk exposure in relation to trade receivables under SFRS 39 as at 31 December 2017 and 1 January 2017 are set out in the provision matrix as follows:

31 December 2017	Past due			Total
	Within 30 days	30 to 60 days	More than 60 days	
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>Trade receivables</b>				
Gross carrying amount:				
- Not past due	21,087	-	-	21,087
- Past due but not impaired	-	1,125	15,110	16,235
- Past due and impaired	-	-	-	-
				37,322
Less: Allowance for impairment				(1,306)
Net carrying amount				36,016

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 27. Financial risk management (continued)

#### 27C. Credit risk (continued)

##### **Previous accounting policy for impairment of trade receivables and financial assets from service concession arrangements** (continued)

	← Past due →			
1 January 2017	Within 30 days \$'000	30 to 60 days \$'000	More than 60 days \$'000	Total \$'000
<b>Group</b>				
<b>Trade receivables</b>				
Gross carrying amount:				
- Not past due	296	-	-	296
- Past due but not impaired	-	1,491	-	1,491
- Past due and impaired	-	-	-	-
				1,787
Less: Allowance for impairment				-
Net carrying amount				1,787

##### **Financial assets that are neither past due nor impaired**

Financial assets that are neither past due nor impaired are mainly cash at banks and deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

Other than the above, there are no credit loss allowance for other financial assets at amortised cost as at 31 December 2017 and 1 January 2017.

##### **Financial assets that are past due and/or impaired**

There are no other classes of financial assets that is past due and/or impaired except for trade receivables.

The impaired trade receivables arise mainly from AAJ to PAM JAYA.

#### 27D. Liquidity risk

The table below analysis financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

<b>Group</b>	<b>Less than 1 year S\$'000</b>	<b>Between 1 and 5 years S\$'000</b>	<b>Over 5 years S\$'000</b>
<b>At 31 December 2018</b>			
Trade and other payables	28,201	-	-
Borrowings	66,924	231,256	73,634
<b>At 31 December 2017</b>			
Trade and other payables	26,599	-	-
Borrowings	385,660	18,721	19,880
<b>At 1 January 2017</b>			
Trade and other payables	3,020	-	-
Borrowings	1,022	3,893	800

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 27. Financial risk management (continued)

#### 27E. Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	31 December 2018 S\$'000	Group 31 December 2017 S\$'000	1 January 2017 S\$'000
Borrowings	263,192	389,719	4,612
Less cash and cash equivalents	(115,570)	(96,921)	(63,071)
Net debt	147,622	292,798	(58,459)
Total equity	268,705	119,920	126,971
Total capital	416,327	412,718	68,512
Gearing ratio	35%	71%	(85%)

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2018 and 2017.

#### 27F. Fair value measurements

The carrying value less impairment provision of current receivables and payables approximate to their fair values. The fair value of non-current financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Management believes that as of 31 December 2018 and 2017 the fair value of financial assets and liabilities approximates their carrying amount.

#### 27G. Financial instruments by category

The aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost are as follows:

	Group S\$'000	Company S\$'000
<b>31 December 2018</b>		
Financial assets, at amortised cost	275,146	63,271
Financial liabilities, at amortised cost	291,393	162
<b>31 December 2017</b>		
Loans and receivables	240,290	144
Financial liabilities, at amortised cost	416,318	308
<b>1 January 2017</b>		
Loans and receivables	139,503	24,432
Financial liabilities, at amortised cost	7,632	275

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

### 27. Financial risk management (continued)

#### 27H. Offsetting financial assets and financial liabilities

The financial instruments of the Group are not subject to any enforceable master netting arrangements or other similar agreements.

### 28. Financial information by operating segments

#### 28A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into one major strategic operating segments: Built-Operate-Transfer ("BOT"). Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance.

The segment and the type of products and services is as follows:

BOT business	: Provision of comprehensive range of water treatment solutions to government including commissioning, operation and maintenance of a wide range of water treatment plants on design, build, operate and transfer arrangements.
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The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results is based on a measure of earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"). This measurement basis excludes the effects of certain items of other income and expenditure from the operating segments that are not expected to recur regularly in every period which are separately analysed. In the calculation of adjusted EBITDA, management also uses revenue based on the actual amounts billed to the customers during the year for the provision of water services instead of the amounts of revenue reported in the statement of profit or loss. In the reconciliation of adjusted EBITDA to profit before tax (Note 28B), the adjustments made to the revenue in the calculation of adjusted EBITDA is shown as "Other adjustments".

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 28. Financial information by operating segments (continued)

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

#### 28B. Profit or loss and reconciliations

	<b><u>BOT</u></b> <b><u>S\$'000</u></b>	<b><u>Unallocated</u></b> <b><u>S\$'000</u></b>	<b><u>Group</u></b> <b><u>S\$'000</u></b>
<b><u>31 December 2018</u></b>			
<b>Revenue and adjusted EBITDA by segment</b>			
Total revenue by segment	188,525	767	189,292
Total adjusted EBITDA by segment	74,785	(5,343)	69,442
<b><u>31 December 2017</u></b>			
<b>Revenue and adjusted EBITDA by segment</b>			
Total revenue by segment	131,497	520	132,017
Total adjusted EBITDA by segment	42,746	(5,757)	36,989

A reconciliation of adjusted EBITDA to profit before tax is as follows:

	<b><u>BOT</u></b> <b><u>S\$'000</u></b>	<b><u>Unallocated</u></b> <b><u>S\$'000</u></b>	<b><u>Group</u></b> <b><u>S\$'000</u></b>
<b><u>31 December 2018</u></b>			
<b>Total adjusted EBITDA</b>	74,785	(5,343)	<b>69,442</b>
Depreciation			(4,856)
Amortisation			(25,782)
Finance cost			(37,637)
Interest income			9,943
Adjustments to other income and expense			17,305
Other adjustments			8,327
<b>Profit before income tax</b>			<b>36,742</b>
<b><u>31 December 2017</u></b>			
<b>Total adjusted EBITDA</b>	42,746	(5,757)	<b>36,989</b>
Depreciation			(2,759)
Amortisation			(14,307)
Finance cost			(18,461)
Interest income			4,571
Adjustments to other income and expense			733
Other adjustments			7,274
<b>Profit before income tax</b>			<b>14,040</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 28. Financial information by operating segments (continued)

#### 28C. Assets and reconciliations

	<b>Group S\$'000</b>
<b>31 December 2018</b>	
Total assets for reportable segments	553,598
Unallocated	82,369
<b>Total group assets</b>	<b>635,967</b>
<b>31 December 2017</b>	
Total assets for reportable segments	575,675
Unallocated	37,684
<b>Total group assets</b>	<b>613,359</b>
<b>1 January 2017</b>	
Total assets for reportable segments	77,770
Unallocated	62,870
<b>Total group assets</b>	<b>140,640</b>

#### 28D. Liabilities and reconciliations

	<b>Group S\$'000</b>
<b>31 December 2018</b>	
Total liabilities for reportable segments	(364,804)
Unallocated	(829)
<b>Total group liabilities</b>	<b>(365,633)</b>
<b>31 December 2017</b>	
Total liabilities for reportable segments	(173,403)
Unallocated	(319,426)
<b>Total group liabilities</b>	<b>(492,829)</b>
<b>1 January 2017</b>	
Total liabilities for reportable segments	(12,555)
Unallocated	(578)
<b>Total group liabilities</b>	<b>(13,133)</b>

#### 28E. Other material items and reconciliations

	<b>BOT S\$'000</b>	<b>Unallocated S\$'000</b>	<b>Group S\$'000</b>
Expenditures for non-current assets			
2018	35,842	92	35,934
2017	37,011	-	37,011
Depreciation			
2018	4,202	654	4,856
2017	2,353	406	2,759
Amortisation			
2018	25,782	-	25,782
2017	14,307	-	14,307
Finance cost			
2018	30,048	7,589	37,637
2017	4,220	14,241	18,461

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 28. Financial information by operating segments (continued)

#### 28F. Revenue from major products and services

Revenues from external customers are derived mainly from water supply charges and others are included in "Other services". The breakdown of the Group's revenue by products and services is provided under Note 5.

Revenues of S\$37,310,000 (2017: S\$41,546,000) are derived from a single external customer. These revenues are attributable to the BOT segment.

#### 28G. Geographical information

The Group's main business segment only operates in Indonesia. The operations in this area is principally the provision and supply of clean water, and provision to customer.

	<u>Revenue</u>		<u>Non-current assets</u>		
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>1 January</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Indonesia	189,292	132,017	462,057	458,208	69,734
Singapore	-	-	74	62	3
	<u>189,292</u>	<u>132,017</u>	<u>462,131</u>	<u>458,270</u>	<u>69,737</u>

### 29. Business combinations

On 8 June 2017, the Group acquired a 100% equity interest in APL Group. APL is an investment holding company incorporated in Singapore, while APL's subsidiaries principal activity is developing and operating water treatment facilities and associated distribution pipelines for the distribution of clean water. Currently, APL's subsidiaries operation are entirely in Indonesia. As a result of the acquisition, the Group is expected to expand its business in particular water industry and also increase the Group's production capacity.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

#### 29A. Purchase consideration

	<u>S\$'000</u>
Cash paid	131,982
Payment of financial indebtedness of APL Group to the previous owners	214,332
Consideration transferred for the business	<u>346,314</u>

#### 29B. Effect on cash flows of the Group

	<u>S\$'000</u>
Cash paid (as above)	346,314
Less: cash and cash equivalents in subsidiary acquired	(32,029)
Cash outflow on acquisition	<u>314,285</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 29. Business combinations (continued)

#### 29C. Identifiable assets acquired and liabilities assumed

	At fair value S\$'000
Cash and cash equivalents	32,029
Restricted cash in banks	4,044
Trade and other receivables	40,340
Inventories	5,352
Property, plant and equipment	23,399
Intangible assets arising from service concession arrangement	146,033
Contractual concession rights intangible assets	136,384
Other non-current assets	4,564
Trade and other payables	(20,027)
Current income tax liabilities	(1,337)
Provision arising from service concession arrangements	(11,535)
Borrowings	(30,586)
Provision for employee benefits	(12,596)
Deferred tax liabilities	(34,051)
<b>Total identifiable net assets</b>	<b>282,013</b>
Adoption of SFRS(I) 15:	
Deferred revenue	(13,166)
Deferred tax assets	3,291
<b>Total identifiable net assets after adoption of SFRS(I) 15</b>	<b>272,138</b>
Add: Goodwill (restated)	74,176
<b>Consideration transferred for the business</b>	<b>346,314</b>

### 30. Immediate and ultimate holding corporations

The Company's immediate holding corporation is Tamaris Infrastructure Pte. Ltd. incorporated in Singapore. The ultimate holding corporation is Garrison Investment Holdings Ltd., incorporated in British Virgin Island.

### 31. Comparative information

Certain reclassifications have been made to the prior year's comparatives of the Company to enhance comparability with the current financial year's financial statements.

The additional balance sheet at the beginning of the preceding financial year was not presented on the reclassification adjustment as the adjustment has no significant effect on the information in the balance sheet at the beginning of the preceding financial year.

	Before reclassification S\$'000	Reclassifications S\$'000	After reclassification S\$'000
<b>Consolidated statement of financial position</b>			
<b>Non-current assets</b>			
Financial assets arising from service concession arrangements	89,429	(89,429)	-
Intangible assets	264,398	(264,398)	-
Service concession assets	-	353,827	353,827

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

### 31. Comparative information (continued)

	Before reclassification S\$'000	Reclassifications S\$'000	After reclassification S\$'000
<b>Consolidated statement of financial position (continued)</b>			
<b>Current assets</b>			
Financial assets arising from service concession arrangements	6,081	(6,081)	-
Service concession assets	-	6,081	6,081
<b>Consolidated statement of cash flows</b>			
<b>Cash flow from operating activities</b>			
Payment of construction cost	(31,556)	31,556	-
<b>Cash flow from investing activities</b>			
Payment of construction cost	-	(31,556)	(31,556)

### 32. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2019 and which the Group has not early adopted:

(a) SFRS(I) 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simple transition approach and will not restate comparative amounts for the year prior to first adoption. The Group does not expect the new standard to have a significant impact on the consolidated financial statements of the Group.

(b) SFRS(I) INT 23 *Uncertainty Over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- (i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- (ii) that the entity should assume a tax authority will examine, the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored
- (iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment,

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2018*

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### 32. New or revised accounting standards and interpretations (continued)

(b) SFRS(I) INT 23 *Uncertainty Over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019) (continued)

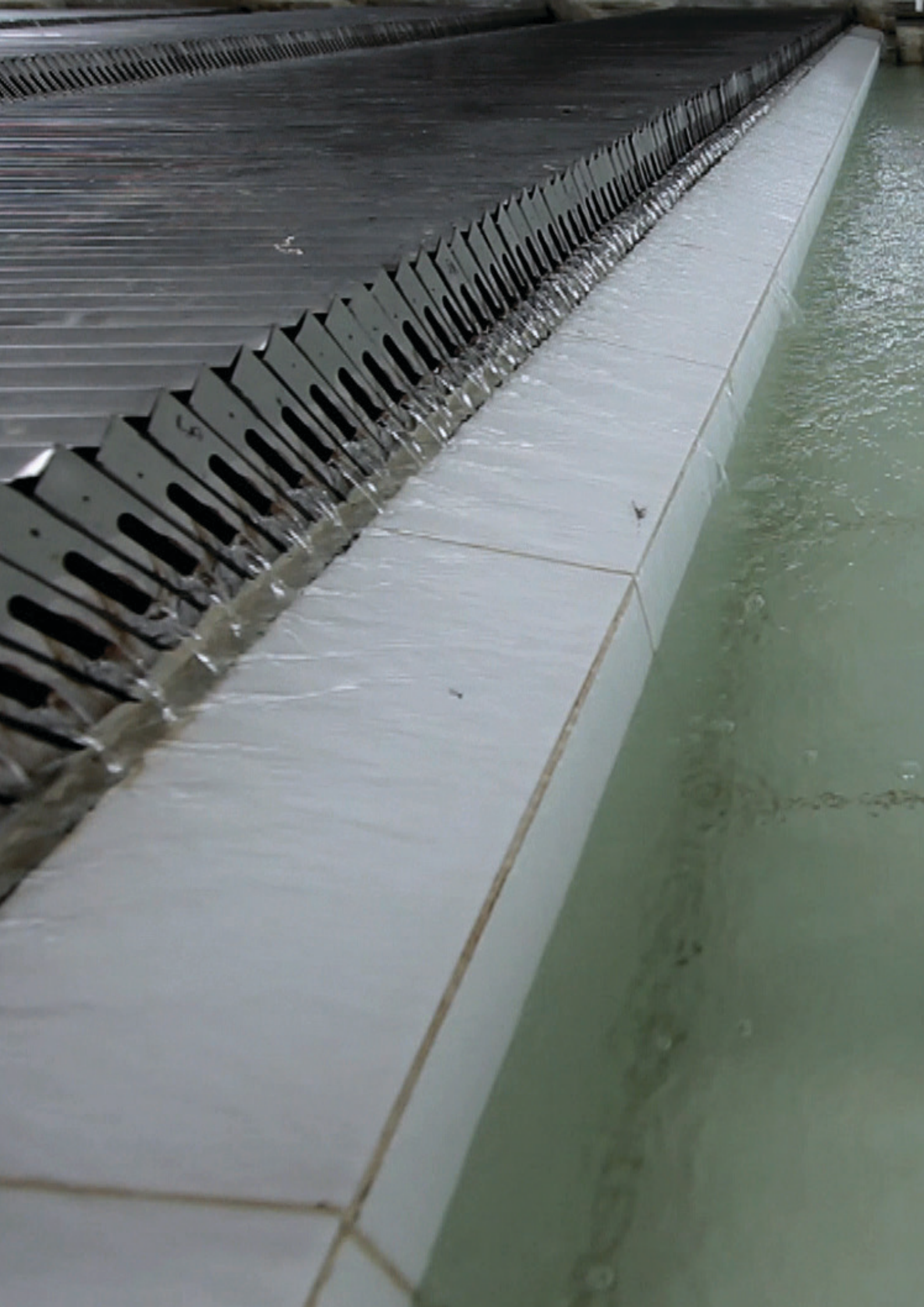
(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions upon the implementation of this new standard.

### 33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Moya Holdings Asia Limited on 11 March 2019.



# SHAREHOLDINGS STATISTICS

The background of the slide is a deep blue underwater scene. It is filled with numerous small, light blue bubbles that appear to be rising from the bottom. Several larger, more detailed fish are visible, swimming towards the surface. The lighting is soft and diffused, creating a serene and aquatic atmosphere.



# Shareholdings Statistics

## Shareholding Statistics as at 20 March 2019

Issued and paid-up capital	: S\$254,374,249.26
No. of issued shares	: 4,203,585,943
No. of treasury shares	: Nil
No. of subsidiary holdings	: Nil
Class of shares	: Ordinary shares
Voting rights	: One vote per share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	88	4.90	1,023	0.00
100 - 1,000	116	6.46	81,348	0.00
1,001 - 10,000	267	14.86	1,652,949	0.04
10,001 - 1,000,000	1,272	70.78	158,769,556	3.78
1,000,001 and Above	54	3.01	4,043,081,067	96.18
	<b>1,797</b>	<b>100.00</b>	<b>4,203,585,943</b>	<b>100.00</b>

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 20 March 2019, approximately 13.80% of the issued ordinary shares of the Company is held by the public as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). Accordingly, the Company has complied with Rule 723 of the Catalyst Rules.

No	Name of Shareholders	No. of Shares Held	%
1	Oversea Chinese Bank Nominees Pte Ltd	1,500,000,000	35.68
2	OCBC Securities Private Ltd	1,109,539,632	26.39
3	GW Redwood Pte Ltd	552,731,584	13.15
4	UOB Kay Hian Pte Ltd	472,388,975	11.24
5	Citibank Nominees Singapore Pte Ltd	59,155,365	1.41
6	DBS Nominees Pte Ltd	37,884,400	0.90
7	Raffles Nominees(Pte) Limited	35,085,550	0.83
8	Lim and Tan Securities Pte Ltd	34,529,000	0.82
9	Maybank Kim Eng Securities Pte.Ltd.	28,136,206	0.67
10	Lim Yue Heng	20,279,722	0.48
11	Asdew Acquisitions Pte Ltd	19,928,000	0.47
12	Shu Lifen	18,282,600	0.44
13	Philip Securities Pte Ltd	17,891,722	0.43
14	Omar Ziyad Fekri Z	17,000,000	0.40
15	HSBC (Singapore) Nominees Pte Ltd	12,818,800	0.31
16	CGS-CIMB Securities (Singapore) Pte Ltd	10,020,983	0.24
17	Chin Sek Peng	8,800,000	0.21
18	Ng Ser Miang	8,356,500	0.20
19	Lim Eng Hong	6,000,000	0.14
20	Chandra Das s/o Rajagopal Sitaram	4,000,000	0.10
		<b>3,972,730,517</b>	<b>94.51</b>

**SUBSTANTIAL SHAREHOLDERS**

(as shown in the Company's Register of Substantial Shareholders)

Name of Shareholders	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Tamaris Infrastructure Pte. Ltd. <sup>(1)</sup>	3,062,053,273	72.84	-	-
Garrison Investment Holdings Ltd. <sup>(1)</sup>	-	-	3,062,053,273	72.84
Anthoni Salim <sup>(1)</sup>	-	-	3,062,053,273	72.84
GW Redwood Pte. Ltd. <sup>(2)</sup>	552,731,584	13.15	-	-
Gateway Fund Company Pte. Ltd. <sup>(2)</sup>	-	-	552,731,584	13.15
Gateway Fund I, L.P. <sup>(2)</sup>	-	-	552,731,584	13.15
Gateway Partners Limited <sup>(2)</sup>	-	-	552,731,584	13.15

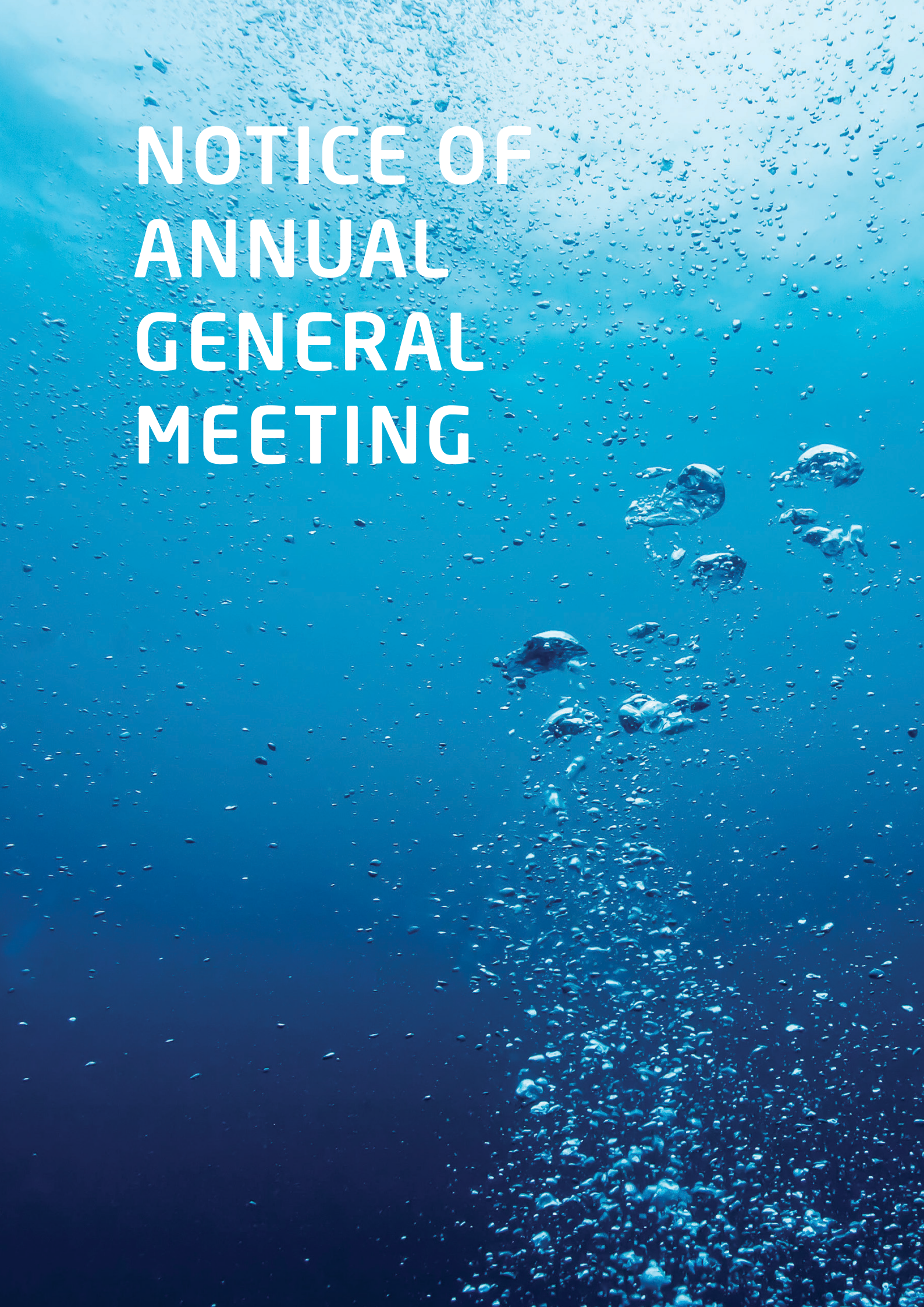
**NOTES:**

<sup>(1)</sup> Garrison Investment Holdings Ltd. ("Garrison") has a shareholding interest exceeding 20% in Tamaris Infrastructure Pte. Ltd. ("TIPL") Accordingly, Garrison is deemed to have an interest in the voting shares in the Company ("Shares") in which TIPL has an interest, by virtue of Section 4(5) of the Securities and Futures Act, Cap. 289 ("SFA"). Mr. Anthoni Salim has a controlling interest in Garrison. Accordingly, Mr. Anthoni Salim is deemed to have an interest in the Shares in which TIPL has an interest, by virtue of Section 4(4) of the SFA.

United Dragon Associates Limited ("UDA"), Amarthia Group Limited ("AGL") and Kidston Holdings Limited ("KHL") together have an interest in not less than 20% of the voting shares of TIPL. Accordingly, Mr. Anthoni Salim, together with his associates, UDA, AGL and KHL, control not less than 20% of the voting shares of TIPL and is deemed to have an interest in the Shares in which TIPL has an interest, by virtue of Section 4(5) of the SFA.

<sup>(2)</sup> Gateway Fund Company Pte. Ltd. owns 100% of GW Redwood Pte. Ltd. Gateway Fund I, L.P. (the "Fund") owns 100% of Gateway Fund Company Pte. Ltd. Gateway Partners Limited (the "GP") is the general partner of the Fund. The GP has full control over the business and affairs of the Fund, including making all investment and divestment decisions, and voting the securities and interests held by the Fund, via the investment committee of the Fund.

# NOTICE OF ANNUAL GENERAL MEETING





# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Moya Holdings Asia Limited (the “Company”) will be held at NUSS Suntec City Guild House, Guild Room, 3 Temasek Boulevard, #02-401/402 Suntec City Mall, Singapore 038983 on Friday, 26 April 2019 at 1.00 p.m. to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 (“FY2018”), together with the Auditors’ Report thereon. **[Resolution 1]**
2. To approve the payment of Directors’ fees of S\$245,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears. [FY2018: S\$215,000]  
[See explanatory note (i)] **[Resolution 2]**
3. (a) To re-elect Mr. Low Chai Chong who is retiring in accordance with Article 93 of the Company’s Constitution and who, being eligible, offer himself for re-election, as a Director of the Company.  
[See explanatory note (ii)] **[Resolution 3a]**  
  
 (b) To re-elect Mr. Simon A. Melhem who is retiring in accordance with Article 93 of the Company’s Constitution and who, being eligible, offer himself for re-election, as a Director of the Company.  
[See explanatory note (iii)] **[Resolution 3b]**
4. To re-appoint PricewaterhouseCoopers LLP as the Auditors of the Company and to authorize the Directors of the Company to fix their remuneration. **[Resolution 4]**
5. To transact any other ordinary business which may be properly transacted at an Annual General Meeting of the Company.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to allot and issue shares **[Resolution 5]**
  - (a) “That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (“Companies Act”) and Rule 806 of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”), authority be and is hereby given to the Directors of the Company (“Directors”) to:
    - (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
    - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

# Notice of Annual General Meeting

(b) (notwithstanding the authority conferred by this Resolution 5 may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while Resolution 5 was in force, provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution 5 (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution 5) does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with subparagraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution 5) does not exceed 50% of the total number of issued Shares (excluding Shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below); and

(ii) (subject to such manner of calculation as may be prescribed or directed by the SGX-ST), for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution 5, after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Resolution 5;

(b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution 5, provided that such share awards or share options (as the case may be) were granted in compliance with the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or sub-division of Shares;

(iii) in exercising the authority conferred by this Resolution 5, the Company shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution; and

(iv) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution 5 shall continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

*[See explanatory note (iv)]*

7. Authority to offer and grant share options and to allot and issue Shares under the Moya Holdings Asia Limited Employee Share Option Scheme ("MHAL ESOS") **[Resolution 6]**

“That pursuant to Section 161 of the Companies Act, the Directors be authorised and empowered to grant share options in accordance with the provisions of the MHAL ESOS and to allot and issue from time to time, such number of Shares as may be required to be issued pursuant to the exercise of the share options under the MHAL ESOS, provided that the aggregate number of new Shares which may be issued pursuant to the MHAL ESOS shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

*[See explanatory note (v)]*

By order of the Board:

**Low Chai Chong**

*Chairman, Non-Executive and Lead Independent Director*

Singapore  
10 April 2019

**Explanatory Notes:**

- (i) Payment of Directors’ fees of S\$215,000 for FY2018 was approved by shareholders of the Company at the last Annual General Meeting of the Company on 27 April 2018. However, the actual amount of Directors’ fees for FY2018 paid was S\$135,000.
- (ii) Mr. Low Chai Chong will, upon re-election as a Director of the Company, remain as the Chairman and Non-Executive and Lead Independent Director, the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. Mr. Low Chai Chong has no relationships (including immediate family relationships) with the rest of the Directors, the Company, its related corporations, its 10% shareholders or its officers. The Board of Directors (the “Board”) considers Mr. Low Chai Chong to be independent for the purpose of Rule 704(7) of the Catalist Rules. Key information on Mr. Low Chai Chong required pursuant to Rule 720(5) of Catalist Rules can be found under the sections entitled “Board of Directors”, “Corporate Governance Report – Principle 4” and “Directors’ Statement” of the Company’s 2018 Annual Report.
- (iii) Mr. Simon A. Melhem will, upon re-election as a Director of the Company, remain as the Non-Executive and Non-Independent Director, and a member of the Audit Committee and the Remuneration Committee. The Board considers Mr. Simon A. Melhem to be non-independent for the purpose of Rule 704(7) of the Catalist Rules, taking into account Rule 406(3)(d)(i) of the Catalist Rules as Mr. Simon A. Melhem was recently re-designated from Executive Director to Non-Executive Director, with the effect from 7 March 2019. Key information on Mr. Simon A. Melhem required pursuant to Rule 720(5) of Catalist Rules can be found under the sections entitled “Board of Directors”, “Corporate Governance Report – Principle 4” and “Directors’ Statement” of the Company’s 2018 Annual Report.

# Notice of Annual General Meeting

- (iv) Resolution 5 proposed in item 6 above, if passed, will authorise the Directors, from the date of the passing of Resolution 5 to the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, to allot and issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an aggregate number not exceeding 100% of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings, if any), with a sub-limit of 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) for issues other than on a pro-rata basis to shareholders of the Company. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time Resolution 5 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities; and (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time Resolution 5 is passed; and (c) any subsequent bonus issue, consolidation or sub-division of Shares.
- (v) Resolution 6 proposed in item 7 above, if passed, will authorize and empower the Directors, from the date of passing of Resolution 6 to the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, to grant share options and to allot and issue Shares pursuant to the MHAL ESOS, provided that the aggregate number of shares to be issued shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

## Notes:

- 1.(a) A member of the Company (who is not a Relevant Intermediary) entitled to attend, speak and vote at the Annual General Meeting of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy.
- (b) A member of the Company who is a Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its seal or under

the hand of an officer or attorney duly authorised.

3. The instrument appointing a proxy must be deposited at the office of the Company's share registrar at M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 not less than 48 hours before the time set for the holding of the Annual General Meeting of the Company.

### **Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("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 notice.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



# PROXY FORM





# PROXY FORM

## MOYA HOLDINGS ASIA LIMITED

(Company Registration No. 201301085G)  
(Incorporated in the Republic of Singapore)

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT:

1. Relevant Intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the annual general meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Moya Holdings Asia Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2019.

\*I/We \_\_\_\_\_ (\*NRIC/Passport/Co. Reg. No.) \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a \*member/members of Moya Holdings Asia Limited (the “Company”), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her\*, the Chairman of the Annual General Meeting (“AGM”) of the Company as my/our\* proxy/proxies\* to vote on my/our behalf at the AGM to be held at NUSS Suntec City Guild House, Guild Room, 3 Temasek Boulevard, #02-401/402 Suntec City Mall, Singapore 038983 on Friday, 26 April 2019, at 1.00 p.m., and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* may vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the AGM and at any adjournment thereof.

All resolutions put to vote at the AGM shall be decided by way of poll. Please indicate the number of votes as appropriate.

\*Delete as appropriate

No.	ORDINARY RESOLUTIONS RELATING TO:	No. of Votes FOR*	No. of Votes AGAINST*
1.	Adoption of the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 and the Auditors’ Report thereon		
2.	Approval of the payment of Directors’ fees of S\$245,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears		
3.	(a) Re-election of Mr. Low Chai Chong as a Director of the Company		
	(b) Re-election of Mr. Simon A. Melhem as a Director of the Company		
4.	Re-appointment of PricewaterhouseCoopers LLP as the Auditors of the Company and to authorize the Directors of the Company to fix their remuneration		
5.	Authority to allot and issue shares in the capital of the Company		
6.	Authority to offer and grant share options and to allot and issue shares under the Moya Holdings Asia Limited Employee Share Option Scheme		

\*If you wish to exercise all your votes “For” or “Against” the relevant resolution, please tick (✓) in the relevant box provided. Alternatively, if you wish to exercise your votes both “For” and “Against” the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature(s) of Member(s)/Corporation’s Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



**NOTES:**

1. If the member has Shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of Shares is not inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
  2. (a) A member of the Company who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
  - (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.
- "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
  4. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than forty-eight (48) hours before the time appointed for the holding of the AGM.
  5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.
  6. The instrument appointing a proxy must be under the hand of the appointor or his attorney. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorized officer of the corporation.
  7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
  8. A corporation which is a member may by a resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for the holding of the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Protection Act Consent:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2019.

# Corporate Information

## COMPANY INFORMATION

### MOYA HOLDINGS ASIA LIMITED

Incorporated in the Republic of Singapore  
on 9 January 2013

Company Registration Number: 201301085G

## STOCK EXCHANGE LISTING

Listed on Singapore Exchange – Catalyst  
SGX Code: 5WE

## BOARD OF DIRECTORS

LOW CHAI CHONG

*Chairman, Non-Executive and  
Lead Independent Director*

MOHAMMAD SYAHRIAL

*Chief Executive Officer*

IRWAN A. DINATA

*Managing Director*

SIMON A. MELHEM

*Non-Executive Non-Independent Director*

HWANG KIN SOON IGNATIUS

*Non-Executive Independent Director*

## AUDIT COMMITTEE

LOW CHAI CHONG (Chairman)

SIMON A. MELHEM

HWANG KIN SOON IGNATIUS

## NOMINATING COMMITTEE

HWANG KIN SOON IGNATIUS (Chairman)

LOW CHAI CHONG

IRWAN A. DINATA

## REMUNERATION COMMITTEE

HWANG KIN SOON IGNATIUS (Chairman)

LOW CHAI CHONG

SIMON A. MELHEM

## COMPANY SECRETARIES

EDWIN TEO CHIN KEE

GOH WEE MENG, DARREN

## REGISTERED OFFICE

65 Chulia Street, OCBC Centre #37-08

Singapore 049513

Tel +65 6365 0652

Fax +65 6365 1025

website: [www.moyaasia.com](http://www.moyaasia.com)

E-mail: [enquiry@moyaasia.com](mailto:enquiry@moyaasia.com)

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

### M & C SERVICES PRIVATE LIMITED

112 Robinson Road #05-01 Singapore 068902

## INDEPENDENT AUDITOR

### PRICEWATERHOUSECOOPERS LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

#### Partner-in-Charge:

Tham Tuck Seng

*(since financial year ended 31 December 2017)*

*(Public Accountant and Chartered Accountant, a member of the  
Institute of Singapore Chartered Accountants)*

## SPONSOR

### ZICO CAPITAL PTE. LTD.

8 Robinson Road

#09-00 ASO Building

Singapore 048544

## PRINCIPAL BANKERS

### OVERSEA-CHINESE BANKING CORPORATION LIMITED

63 Chulia Street

#10-00 OCBC Centre East

Singapore 049514

### PT. BANK OCBC NISP TBK.

OCBC NISP Tower

Jl. Prof. Dr. Satrio, Kav 25

Jakarta 12940

### PT. BANK CENTRAL ASIA TBK.

Jl. M.H. Thamrin, No.1

Menara BCA

Jakarta, 10310

### PT. BANK CHINA CONSTRUCTION BANK INDONESIA TBK.

Jl. Jenderal Sudirman, Kav 68

Sahid Sudirman Center 15<sup>th</sup> floor

Jakarta, 10220



Moya Holdings Asia Limited

Incorporated in the Republic of Singapore  
Company Registration No. 201301085G

65 Chulia Street, OCBC Centre #37-08  
Singapore 049513  
Tel +65 6365 0652  
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