



Moya Holdings Asia Limited

MOYA HOLDINGS ASIA LIMITED

Registration number: 201301085G

**Unaudited Financial Statements and Dividend Announcement
For The Six-Month Financial Period Ended 30 June 2020**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

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

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PART I – INFORMATION REQUIRED FOR RESULTS ANNOUNCEMENT OF SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2020

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

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

| | Group | | |
|---|---|---|------------------------|
| | Unaudited 6 months ended 30.06.2020 ("HY2020") (S\$'000) | Unaudited 6 months ended 30.06.2019 ("HY2019") (S\$'000) | Change + / (-) % |
| Revenue | 115,868 | 92,246 | 26 |
| Cost of sales | (63,748) | (46,555) | 37 |
| Gross profit | 52,120 | 45,691 | 14 |
| Other item of income: | | | |
| Interest income | 1,670 | 1,547 | 8 |
| Other items of expenses: | | | |
| Administrative expenses | (19,020) | (18,886) | 1 |
| Finance costs | (14,913) | (16,138) | (8) |
| Other expenses | (331) | (403) | (18) |
| Other losses, net | (169) | (1,654) | (90) |
| Profit before tax | 19,357 | 10,157 | 91 |
| Income tax expense | (1,969) | (3,910) | (50) |
| Profit after tax | 17,388 | 6,247 | 178 |
| Other comprehensive income/(loss): | | | |
| Item that will not be reclassified subsequently to profit or loss: | | | |
| Re-measurements of defined benefit pension plans, net of tax | 63 | 390 | (84) |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Currency translation differences arising from consolidation | 7,125 | (452) | N.M |
| Other comprehensive income/(loss), net of tax | 7,188 | (62) | N.M |
| Total comprehensive income | 24,576 | 6,185 | 297 |
| Adjusted EBITDA⁽¹⁾ | 46,661 | 38,000 | 23 |

N.M – not meaningful

Note:

- (1) Adjusted EBITDA (being earnings before interest, taxes, depreciation and amortisation) was computed based on the Group's revenue (excluding (i) adjustment from the adoption of SFRS (I) INT 12; (ii) service concession construction revenue; and (iii) finance income under service concession arrangements) less cost of sales (excluding service concession construction costs), administrative expenses and other expenses, adding back depreciation and amortisation.

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

| | Group | | |
|--|---------------|--------------|------------|
| | | | Change |
| | HY2020 | HY2019 | + / (-) |
| | (S\$'000) | (S\$'000) | % |
| Profit after tax, attributable to: | | | |
| Owners of the parent | 16,554 | 6,189 | 167 |
| Non-controlling interests | 834 | 58 | N.M |
| Profit after tax | 17,388 | 6,247 | 178 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | 24,306 | 6,127 | 297 |
| Non-controlling interests | 270 | 58 | 365 |
| Total comprehensive income | 24,576 | 6,185 | 297 |

N.M – not meaningful

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

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

| | Group | | |
|--|-----------|-----------|---------|
| | | | Change |
| | HY2020 | HY2019 | + / (-) |
| | (S\$'000) | (S\$'000) | % |
| Sale of water and related services ⁽¹⁾ | 86,090 | 76,066 | 13 |
| Adjustment from adoption of SFRS (I) INT 12 ⁽¹⁾⁽²⁾ | (4,943) | (3,556) | 39 |
| Service concession construction revenue ⁽¹⁾ | 20,499 | 8,108 | 153 |
| Other revenue ⁽¹⁾ | 3,418 | 2,918 | 17 |
| Finance income under service concession arrangements ⁽¹⁾⁽²⁾ | 10,804 | 8,710 | 24 |
| Depreciation of property, plant and equipment ⁽³⁾ | (3,804) | (2,843) | 34 |
| Amortisation of service concession assets ⁽⁴⁾ | (16,368) | (13,910) | 18 |
| Allowance for doubtful debts ⁽⁵⁾ | (644) | (522) | 23 |
| Finance costs | (14,913) | (16,138) | (8) |
| Net foreign exchange adjustment gain/(losses) ⁽⁶⁾ | 183 | (1,016) | N.M |

N.M – not meaningful

Notes:

- (1) Classified as revenue in consolidated statement of profit or loss and other comprehensive income.
- (2) In accordance to the Singapore Financial Reporting Standards (International) Interpretations 12 – Service Concession Arrangements (“SFRS (I) INT 12”), when the Group (as operator) receives payment during the period of the service concession arrangement, it will apportion such payment between a repayment of the financial asset arising from the construction activities of the service concession arrangement, reducing the carrying amount of the financial assets on its statement of financial position, and revenue from operating and maintaining the water treatment plants in its statement of profit or loss. Interest income on financial assets arising from the service concession arrangement will also be recognised.
- (3) The increase was mainly due to depreciation charges arising from new equipment acquired in HY2020.
- (4) The increase was mainly due to amortisation expense from additional intangible assets arising from a service concession arrangement in HY2020 and amortisation expense from additional intangible assets arising from a contractual concession rights due to the acquisition of Obor Infrastructure Pte. Ltd. and its subsidiaries completed on 19 March 2020.
- (5) The increase was mainly due to higher provision provided for impairment of doubtful debts.
- (6) Classified as other losses, net in consolidated statement of profit or loss and other comprehensive income. Please refer to Section 8.1(h) for explanation on the fluctuations.

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

| | Group | | Company | |
|--|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | Unaudited 30.06.2020 (S\$'000) | Audited 31.12.2019 (S\$'000) | Unaudited 30.06.2020 (S\$'000) | Audited 31.12.2019 (S\$'000) |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 26,909 | 28,419 | 340 | 420 |
| Investments in subsidiaries | - | - | 227,299 | 188,618 |
| Service concession assets | 441,606 | 367,268 | - | - |
| Goodwill | 78,334 | 72,264 | - | - |
| Deferred income tax assets | 13,177 | 12,029 | - | - |
| Other non-current assets | 1,647 | 2,452 | - | - |
| Total non-current assets | 561,673 | 482,432 | 227,639 | 189,038 |
| Current assets | | | | |
| Inventories | 7,241 | 4,769 | - | - |
| Service concession assets | 13,610 | 11,596 | - | - |
| Trade and other receivables | 47,900 | 37,974 | 88 | 116 |
| Restricted cash in banks and time deposits | 5,670 | 5,970 | - | - |
| Cash and cash equivalents | 67,216 | 101,544 | 16,097 | 55,976 |
| Total current assets | 141,637 | 161,853 | 16,185 | 56,092 |
| Total assets | 703,310 | 644,285 | 243,824 | 245,130 |
| Equity and liabilities | | | | |
| Equity attributable to owners of the parent | | | | |
| Share capital | 253,728 | 253,728 | 253,728 | 253,728 |
| Capital reserve | 5,826 | 5,826 | - | - |
| Share option reserve | 591 | 591 | 591 | 591 |
| Foreign currency translation reserve | (11,050) | (18,739) | - | - |
| Retained earnings/(accumulated losses) | 61,875 | 45,258 | (10,961) | (9,732) |
| Equity attributable to owners of the parent | 310,970 | 286,664 | 243,358 | 244,587 |
| Non-controlling interests | 20,060 | 1,963 | - | - |
| Total equity | 331,030 | 288,627 | 243,358 | 244,587 |
| Non-current liabilities | | | | |
| Provisions | 19,911 | 19,725 | - | - |
| Borrowings | 203,108 | 201,048 | 170 | 242 |
| Deferred income tax liabilities | 49,271 | 42,166 | - | - |
| Trade and other payables | 9,744 | 9,967 | - | - |
| Total non-current liabilities | 282,034 | 272,906 | 170 | 242 |
| Current liabilities | | | | |
| Provisions | 3,830 | 2,641 | - | - |
| Borrowings | 50,686 | 45,473 | 145 | 136 |
| Trade and other payables | 35,730 | 34,638 | 151 | 165 |
| Total current liabilities | 90,246 | 82,752 | 296 | 301 |
| Total liabilities | 372,280 | 355,658 | 466 | 543 |
| Total equity and liabilities | 703,310 | 644,285 | 243,824 | 245,130 |

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

Amount repayable in one year or less, or on demand

| As at 30 June 2020 (S\$'000) | | As at 31 December 2019 (S\$'000) | |
|------------------------------|-----------|----------------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 50,686 | - | 45,473 | - |

Amount repayable after one year

| As at 30 June 2020 (S\$'000) | | As at 31 December 2019 (S\$'000) | |
|------------------------------|-----------|----------------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 203,108 | - | 201,048 | - |

The loan facility is secured by the following

As at 30 June 2020:

PT Aetra Air Jakarta ("**AAJ**")

- Corporate guarantees from the Company and Acuatico Pte. Ltd. ("**APL**");
- Pledge over the issued shares of AAJ held by APL;
- Pledge over the issued shares of AAJ held by PT Tamaris Prima Energy ("**TPE**");
- Charge over the issued shares of APL held by Moya Indonesia Holdings Pte. Ltd. ("**MIH**");
- Pledge over Debt Service Reserve Account ("**DSRA**") (PT Bank Central Asia Tbk ("**BCA**") and PT Bank OCBC NISP Tbk – Indonesia ("**OCBC – Indonesia**")), escrow account (BCA), revenue account (BCA), operational account (BCA and OCBC – Indonesia) and treasury account (BCA, OCBC – Indonesia, PT Bank China Construction Bank Indonesia Tbk ("**CCB**") and PT Bank Mega Tbk ("**Mega**") of AAJ.

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

- Corporate guarantees from the Company and APL;
- Pledge over the issued shares of AAT held by APL;
- Pledge over the issued shares of AAT held by TPE;
- Charge over the issued shares of APL held by MIH;
- Pledge over DSRA (BCA and OCBC – Indonesia), escrow account (BCA), revenue account (BCA), operational account (BCA and OCBC – Indonesia) and treasury account (BCA, OCBC – Indonesia, CCB and Mega) of AAT;
- Charge over the insurance policies held by AAT;
- Mortgage of land held by AAT;
- Charge over the intangible assets – service concession arrangements held by AAT.

PT Moya Bekasi Jaya ("**MB**") and PT Moya Tangerang ("**MT**")

- Fiduciary guarantee on MB and MT's receivables;
- Pledge of shares owned by Moya Indonesia ("**MI**") in MB and MT;
- Pledge of MB and MT's DSRA; and
- Corporate guarantee from the Company and MI.

PT Air Semarang Barat ("**ASB**")

- Pledge over the claim rights of the guarantee claim received from PT Penjamin Infrastruktur Indonesia;
- Pledge over the claim rights of bank guarantee (Performance/Surety Bond) from Engineering Procurement Construction contractor;
- Pledge over the claim rights upon receipt of compensation from the grantor in the event of termination of the concession;
- Pledge over the claim rights for insurance claims during the construction and operation period of the relevant insurance company;
- Pledge over the issued shares of ASB held by AAJ and PT Medco Infrastruktur Indonesia ("**MII**");
- Pledge over escrow account, Debt Service Account ("**DSA**"), DSRA, operational account of ASB in BCA;
- Corporate Guarantees from the Company

PT Tanah Alam Makmur

- Fiduciary guarantee on a subsidiary's trade receivables and insurance claims from a subsidiary of the Company;
- Pledge of term deposits owns by parent entity from the shareholder of a subsidiary of the Company;
- Pledge over a subsidiary ordinary shares owned by a subsidiary of the Company; and
- Pledge over subsidiaries bank accounts in BCA.

PT Tirta Kencana Cahaya Mandiri

- Fiduciary guarantee on a subsidiary's trade receivables; and
- Pledge over a subsidiary ordinary shares owned by a subsidiary of the Company and PT Tirta Bangun Nusantara.

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

| | Unaudited | Unaudited |
|--|-------------------|-------------------|
| | 6 months ended | 6 months ended |
| (S\$'000) | 30.06.2020 | 30.06.2019 |
| Cash flows from operating activities | | |
| Receipts from customers | 86,445 | 81,916 |
| Payments to suppliers, directors and employees | (45,147) | (42,180) |
| Payments of corporate income tax | (4,810) | (7,180) |
| Net cash flows provided from operating activities | 36,488 | 32,556 |
| Cash flows from investing activities | | |
| Acquisitions of fixed assets and other non-current assets | (3,037) | (2,496) |
| Interest received | 1,528 | 1,471 |
| Payments of construction costs | (23,499) | (10,223) |
| Acquisition of subsidiaries, net of cash acquired | (14,451) | - |
| Net cash flows used in investing activities | (39,459) | (11,248) |
| Cash flows from financing activities | | |
| Interest paid | (13,424) | (15,097) |
| Net decrease/(increase) in restricted cash in banks | 533 | (1,115) |
| Proceeds from borrowings | 27,345 | 3,831 |
| Repayments of borrowings and payment of debt issuance cost | (36,516) | (20,165) |
| Loan repayments of subsidiary | (10,513) | - |
| Principal payments of lease liabilities | (228) | - |
| Issuance of ordinary shares | - | 110 |
| Net cash flows used in financing activities | (32,803) | (32,436) |
| Net decrease in cash and cash equivalents | (35,774) | (11,128) |
| Cash and cash equivalents, beginning balance | 101,544 | 115,570 |
| Net effects of exchange rate changes | 1,446 | 495 |
| Cash and cash equivalents, closing balance | 67,216 | 104,937 |

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

| Group | Share capital | Capital reserve | Share option reserve | Foreign currency translation reserve | Retained earnings | Equity attributable to parent | Non-controlling interests | Total equity |
|--|----------------|-----------------|----------------------|--------------------------------------|-------------------|-------------------------------|---------------------------|----------------|
| | (S\$'000) | (S\$'000) | (S\$'000) | (S\$'000) | (S\$'000) | (S\$'000) | (S\$'000) | (S\$'000) |
| At 1 January 2019 | 253,618 | 5,826 | 591 | (19,807) | 28,477 | 268,705 | 1,629 | 270,334 |
| Profit for the financial period | - | - | - | - | 6,189 | 6,189 | 58 | 6,247 |
| Other comprehensive income | | | | | | | | |
| Currency translation differences arising from consolidation | - | - | - | (452) | - | (452) | - | (452) |
| Re-measurement of defined benefit pension plans, net of tax | - | - | - | - | 390 | 390 | - | 390 |
| Total comprehensive income for the financial period | - | - | - | (452) | 6,579 | 6,127 | 58 | 6,185 |
| Proceeds from shares issued, net | - | - | - | - | - | 110 | - | 110 |
| At 30 June 2019 | 253,728 | 5,826 | 591 | (20,259) | 35,056 | 274,942 | 1,687 | 276,629 |
| At 1 January 2020 | 253,728 | 5,826 | 591 | (18,739) | 45,258 | 286,664 | 1,963 | 288,627 |
| Profit for the financial period | - | - | - | - | 16,554 | 16,554 | 834 | 17,388 |
| Other comprehensive income | | | | | | | | |
| Currency translation differences arising from consolidation | - | - | - | 7,689 | - | 7,689 | (564) | 7,125 |
| Re-measurements of defined benefit pension plans, net of tax | - | - | - | - | 63 | 63 | - | 63 |
| Total comprehensive income for the financial period | - | - | - | 7,689 | 16,617 | 24,306 | 270 | 24,576 |
| Acquisition of subsidiaries | - | - | - | - | - | - | 17,827 | 17,827 |
| At 30 June 2020 | 253,728 | 5,826 | 591 | (11,050) | 61,875 | 310,970 | 20,060 | 331,030 |

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

| Company | Share capital (S\$'000) | Share option reserve (S\$'000) | Accumulated losses (S\$'000) | Total equity (S\$'000) |
|----------------------------------|----------------------------|-----------------------------------|---------------------------------|---------------------------|
| At 1 January 2019 | 253,618 | 591 | (8,519) | 245,690 |
| Proceeds from shares issued, net | 110 | - | - | 110 |
| Total comprehensive loss | - | - | (362) | (362) |
| At 30 June 2019 | 253,728 | 591 | (8,881) | 245,438 |
| At 1 January 2020 | 253,728 | 591 | (9,732) | 244,587 |
| Total comprehensive loss | - | - | (1,229) | (1,229) |
| At 30 June 2020 | 253,728 | 591 | (10,961) | 243,358 |

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

| Issued share capital | Number of shares | Share capital (S\$'000) |
|---|------------------|----------------------------|
| As at 31 December 2019 and 30 June 2020 | 4,203,585,943 | 253,728 |

There were no changes in the Company's share capital since the last reported financial period ended 31 December 2019.

As at 30 June 2020, the number of outstanding share options under the Employee Share Option Scheme was 8,000,000 (as at 30 June 2019: 8,000,000).

Save as disclosed, there were no other outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2020 and 30 June 2019.

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

The total number of issued shares (excluding treasury shares) as at 30 June 2020 was 4,203,585,943 (as at 31 December 2019: 4,203,585,943).

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

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable. The latest audited financial statements of the Company and the Group for the financial year ended 31 December 2019 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

Except as disclosed in point 5 below, the Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2019.

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

The Group has adopted the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") 3 – Business Combinations which became effective for the accounting period beginning on or after 1 January 2020. The adoption of the new SFRS(I) did not result in material adjustments to the financial position, results of operations or cash flows of the Group for the financial period ended 30 June 2020.

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

| Earnings per ordinary share based on | 6 months ended 30.06.2020 (\$ cents) | 6 months ended 30.06.2019 (\$ cents) |
|---|--|--|
| - net profit attributable to equity holders (numerator), and - weighted average number of ordinary shares on issue (denominator) | | |
| (i) On a basic basis; and | 0.39 | 0.15 |
| (ii) On a fully diluted basis | 0.39 | 0.15 |
| Weighted average number of ordinary shares in issue: | | |
| - for the purpose of basic earnings per share | 4,203,585,943 | 4,202,911,910 |
| - for the purpose of diluted earnings per share | 4,211,585,943 | 4,211,676,551 |

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

| | Group | | Company | |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
| | Unaudited 30.06.2020 | Audited 31.12.2019 | Unaudited 30.06.2020 | Audited 31.12.2019 |
| Net asset value per ordinary share based on issued share capital ⁽¹⁾ (S\$ cents) | 7.40 | 6.82 | 5.79 | 5.82 |

Note:

(1) Based on issued share capital of 4,203,585,943 ordinary shares as at 30 June 2020 (31 December 2019: 4,203,585,943 ordinary shares).

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

The Group's principal business comprises concession arrangements and bulk water provider project undertaken by Acuatico Pte. Ltd. and its subsidiaries (namely, PT Aetra Air Jakarta, PT Aetra Air Tangerang PT Acuatico Air Indonesia and PT Air Semarang Barat) (the "**Acuatico Group**"), Build-Operate-Transfer projects ("**BOT Projects**") under contract and development under its subsidiaries, namely PT Moya Bekasi Jaya ("**Bekasi**"), PT Moya Tangerang ("**Tangerang**"), PT Moya Makassar, and Obor Infrastructure Pte. Ltd. and its subsidiaries (namely, PT Traya Tirta Cisadane and PT Tirta Kencana Cahaya Mandiri) (the "**Obor Group**").

Following the completion of the acquisition of the entire issued and paid-up ordinary shares in Obor Infrastructure Pte. Ltd. on 19 March 2020, the Group has consolidated the profit and loss, and financial position of the Obor Group into the Group's financial statements with effect from 19 March 2020.

8.1 Statement of Profit or Loss and Other Comprehensive Income (HY2020 vs HY2019)

8.1 (a) Revenue

Revenue increased by S\$23.7 million, from S\$92.2 million in HY2019 to S\$115.9 million in HY2020. This was mainly due to increase in (i) service concession construction revenue from the Acuatico Group and Tangerang BOT Projects; (ii) water sales from the Acuatico Group, Tangerang and Bekasi BOT Projects; (iii) finance income under service concession arrangements from the Acuatico Group, Tangerang and Bekasi BOT Projects; and (iv) three-months revenue contributions from the Obor Group.

8.1 (b) Cost of Sales

Cost of sales increased by S\$17.1 million, from S\$46.6 million in HY2019 to S\$63.7 million in HY2020. This was mainly due to increase in (i) service concession construction cost from the Acuatico Group and Tangerang BOT Projects; (ii) amortisation and depreciation expenses arising from new intangible assets and equipment acquired (including additional contractual concession rights due to the acquisition of the Obor Group); and (iii) recognition of three-months cost of sales of the Obor Group.

8.1 (c) Gross Profit

Gross profit increased by S\$6.4 million, from S\$45.7 million in HY2019 to S\$52.1 million in HY2020. This was mainly due to increase in water sales and cost efficiency programmes implemented by the Group over the years to reduce costs, as well as three-months gross profit contribution from the Obor Group.

8.1 (d) Interest Income

Interest income increased by S\$0.2 million, from S\$1.5 million in HY2019 to S\$1.7 million in HY2020, mainly due to increase in interest income from time deposits.

8.1 (e) Administrative Expenses

Administrative expenses increased marginally by S\$0.1 million, from S\$18.9 million in HY2019 to S\$19.0 million in HY2020, mainly due to increase in professional fees and recognition of three-months administrative expenses of the Obor Group, partially offset by decrease in office expenses.

8.1 (f) Finance Costs

Finance costs decreased by S\$1.2 million, from S\$16.1 million in HY2019 to S\$14.9 million in HY2020, mainly due to decrease in bank loans as a result of instalment repayment of existing bank loans.

8.1 (g) Other Expenses

Other expenses remain relatively stable at S\$0.4 million in HY2019 and S\$0.3 million in HY2020 mainly due to decrease in repair and maintenance cost.

8.1 (h) Other Losses, net

The Group recorded other losses of S\$0.2 million in HY2020, as compared to other losses of S\$1.7 million in HY2019. Other losses of S\$0.2 million in HY2020 relate mainly to charges from PAM Jaya of S\$0.3 million, partially offset by foreign exchange gain of S\$0.2 million arising from the depreciation of the Indonesia Rupiah (“IDR”) against the United States Dollar (“USD”) in HY2020.

Other losses of S\$1.7 million in HY2019 relate mainly to (i) foreign exchange loss of S\$1.0 million arising from the appreciation of IDR against USD and Singapore Dollar (“SGD”) in HY2019; and (ii) charges from PAM Jaya and land and building tax of S\$0.7 million.

8.1 (i) Income Tax Expense

Income tax expense decreased by S\$1.9 million, from S\$3.9 million in HY2019 to S\$2.0 million in HY2020, mainly due to deferred income tax benefit arising from the changes of applicable Indonesia tax rate from 25% to 22%, partially offset by increase in current income tax from the Acuatico Group and recognition of three-months income tax expense of the Obor Group.

8.1 (j) Profit After Tax

As a result of the above, the Group’s net profit increased by S\$11.2 million, from S\$6.2 million in HY2019 to S\$17.4 million in HY2020.

8.1 (k) Adjusted EBITDA

Adjusted EBITDA increased by S\$8.7 million, from S\$38.0 million in HY2019 to S\$46.7 million in HY2020, mainly due to increase in water sales and cost efficiency programmes in the Group and three-months adjusted EBITDA contributions from the Obor Group.

8.1 (l) Currency translation differences arising from consolidation

The Group experienced currency translation differences from the consolidation of its foreign operations as the reporting currency of the Group’s consolidated financial statements is in SGD. The Group recognised currency translation gain of S\$7.1 million in HY2020 arising from the appreciation of IDR and USD against SGD in HY2020.

8.2 Statement of Financial Position (30 June 2020 vs 31 December 2019)

The Group’s total equity increased by S\$42.4 million or 14.7%, from S\$288.6 million as at 31 December 2019 to S\$331.0 million as at 30 June 2020. The increase was mainly due to (i) increase of non-controlling interests of S\$18.1 million due to the acquisition of the Obor Group; (ii) net profit attributable to owners of the parent of S\$16.6 million in HY2020; and (iii) currency translation gain of S\$7.1 million.

8.2 (a) Non-current Assets

The Group’s non-current assets increased by S\$79.3 million or 16.4%, from S\$482.4 million as at 31 December 2019 to S\$561.7 million as at 30 June 2020. This was mainly due to increase in (i) service

concession assets of S\$74.3 million (reasons as set out in Section 8.2(b) of this announcement on “Current Assets - service concession assets (current and non-current)"); (ii) goodwill of S\$6.1 million (mainly due to the acquisition of the Obor Group, which was completed on 19 March 2020); and (iii) deferred income tax assets of S\$1.1 million (mainly due to the inclusion of deferred income tax assets of the Obor Group). The aforementioned increase was offset by decrease in (i) property, plant and equipment of S\$1.5 million (mainly due to depreciation charges); and (ii) other non-current assets of S\$0.8 million.

Other non-current assets decreased by S\$0.8 million, mainly due to the realisation of the deposit payment of S\$1.0 million in connection with the acquisition of the Obor Group in HY2020, following the completion of the acquisition on 19 March 2020.

8.2 (b) Current Assets

The Group's current assets decreased by S\$20.3 million or 12.5%, from S\$161.9 million as at 31 December 2019 to S\$141.6 million as at 30 June 2020. This was mainly due to decrease in cash and cash equivalents of S\$34.3 million, partially offset by increase in (i) trade and other receivables of S\$9.9 million; (ii) inventories of S\$2.5 million; and (iii) service concession assets of S\$2.0 million.

Cash and cash equivalents decreased by S\$34.3 million, from S\$101.5 million as at 31 December 2019 to S\$67.2 million as at 30 June 2020. Please refer to Section 8.3 of this announcement on the statement of cash flows for explanations on the decrease in cash and cash equivalents of the Group.

Trade and other receivables increased by S\$9.9 million, from S\$38.0 million as at 31 December 2019 to S\$47.9 million as at 30 June 2020, mainly due to the inclusion of trade and other receivables of the Obor Group.

Inventories increased by S\$2.4 million, from S\$4.8 million as at 31 December 2019 to S\$7.2 million as at 30 June 2020, mainly due to the purchase of pipes for Tangerang BOT Projects and the Acuatico Group, as well as the inclusion of inventories of the Obor Group.

Service concession assets comprised service concession arrangements and contractual concession rights. Please refer to Section 1(a)(ii) of this announcement, footnote (2), on the accounting treatment of the Group's financial assets arising from service concession arrangement. Service concession assets (current and non-current) increased by S\$76.3 million, from S\$378.9 million as at 31 December 2019 to S\$455.2 million as at 30 June 2020, mainly due to (i) to the inclusion of intangible assets arising from contractual concession rights of the Obor Group; (ii) additional construction progress for the BOT Projects in PT Air Semarang Barat and Tangerang BOT Projects; and (iii) inclusion of service concession assets of the Obor Group.

8.2 (c) Non-current Liabilities

The Group's non-current liabilities increased by S\$9.1 million or 3.3%, from S\$272.9 million as at 31 December 2019 to S\$282.0 million as at 30 June 2020. This was mainly due to increase in (i) deferred income tax liabilities of S\$7.1 million; and (ii) borrowings of S\$2.1 million.

Deferred income tax liabilities increased by S\$7.1 million, from S\$42.2 million as at 31 December 2019 to S\$49.3 million as at 30 June 2020, mainly due to inclusion of deferred income tax liabilities of the Obor Group, partially offset by decrease in deferred income tax liabilities due to changes of applicable Indonesia tax rate from 25% to 22% in HY2020.

Borrowings (current and non-current) increased by S\$7.3 million, from S\$246.5 million as at 31 December 2019 to S\$253.8 million as at 30 June 2020, mainly due to the inclusion of borrowings of the Obor Group and drawdown of bank loans, partially offset by instalment repayment of existing bank loans in HY2020.

8.2 (d) Current Liabilities

The Group's current liabilities increased by S\$7.4 million or 9.1%, from S\$82.8 million as at 31 December 2019 to S\$90.2 million as at 30 June 2020. This was mainly due to increase in (i) borrowings of S\$5.2 million due in the next 12 months (reclassified from non-current portion); (ii) provisions of S\$1.2 million; and (iii) trade and other payables of S\$1.1 million.

Provisions relates to contractual obligation arising from the concession arrangement, which increased by S\$1.2 million, from S\$2.6 million as at 31 December 2019 to S\$3.8 million as at 30 June 2020, due to the reclassification of provisions that will be due in the next 12 months.

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

The Group reported a positive working capital of S\$51.4 million as at 30 June 2020 and S\$79.1 million as at 31 December 2019.

8.3 Statement of Cash Flows (HY2020)

Net cash flows provided from operating activities in HY2020 was S\$36.5 million, due to receipts from customers of S\$86.4 million, partially offset by payments to suppliers, directors and employees of S\$45.1 million, and payments of corporate income tax of S\$4.8 million.

Net cash flows used in investing activities in HY2020 was S\$39.5 million, due to payments of construction costs related to the BOT projects and water supply concessions of S\$23.5 million, acquisition of subsidiaries, net of cash acquired of S\$14.5 million, and purchase of fixed assets and other non-current assets of S\$3.0 million, partially offset by receipts of interest income from time deposit of S\$1.5 million.

Net cash flows used in financing activities in HY2020 was S\$32.8 million, due to repayments of borrowings and payment of debt issuance cost of S\$36.5 million, payments of interest of S\$13.4 million, loan repayments of subsidiary of S\$10.5 million, and principal payments of lease liabilities of S\$0.2 million, partially offset by proceeds from borrowings of S\$27.3 million and net decrease in restricted cash in banks of S\$0.5 million.

As a result of the above, and net effects of currency translation on cash and cash equivalents in HY2020 of S\$1.4 million, the Group's cash and cash equivalents decreased by S\$34.3 million in HY2020.

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

The unaudited financial results for HY2020 set out in this announcement are in line with the forecast statement disclosed in the Company's announcement dated 5 June 2020, where it was stated that the Group expects to remain profitable and maintain a positive operating cashflow for the financial period ended 30 June 2020.

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

The Group is focusing on organic growth of PT Moya Tangerang, which is in the process of constructing its new water treatment plant of 1,000 litres per second ("lps") with completion target by first half of 2021, and PT Aetra Air Tangerang, which has completed the upgrading water treatment plant capacity from 900 lps to 1,200 lps in HY2020.

PT Aetra Air Jakarta is currently in discussion with PAM Jaya on future development plans on the existing cooperation scheme for Jakarta. The Company will make an announcement when there are material developments.

The Group is pleased with its progress in achieving a seamless and successful acquisition of Obor Infrastructure Pte. Ltd. which was completed on 19 March 2020, and is focusing on the execution of its two bulk water projects undertaken by its subsidiaries namely, PT Traya Tirta Cisadane with its water treatment plant capacity of 3,300 lps and PT Tirta Kencana Cahaya with its water treatment plant capacity of 1,300 lps.

Besides focusing on organic growth, the Group is also looking for opportunities to further expand its business via participation in new tender, either Business-to-Business or Public-to-Private Partnership, as well as mergers and acquisitions to deliver greater value to the shareholders of the Company and to enhance the Group's profitability.

On 5 June 2020, the Company announced an update on the impact of the COVID-19 pandemic on the Group's business and operations in Indonesia ("**Announcement**"). Please refer to the Announcement for further information. As stated in the Announcement, the Group expects to remain profitable and maintain a positive operating cash flow for the financial year ending 31 December 2020. Notwithstanding, the Company continues to monitor the situation and will update shareholders as and when there are material developments.

11. If a decision regarding dividend has been made:

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

No.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

No.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision

The Board of Directors of the Company ("**Board**") does not recommend any dividend to be declared for HY2020, as the Board deems it appropriate to retain the cash for the Group's capital expenditure and for the Group's future growth.

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

No general mandate for IPT has been obtained from shareholders.

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

We, Mohammad Syahrial and Low Chai Chong, being directors of the Company, do hereby confirm, on behalf of the Board that, to the best knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the six-month financial period ended 30 June 2020 to be false or misleading in any material aspect.

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

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

16. Use of Proceeds

Rights Issue, completed in July 2018

| Use of net proceeds | Amount on a re-allocated basis as at 27 February 2020 ⁽¹⁾ (S\$' million) | Amount utilised as at 21 April 2020 ⁽²⁾ (S\$' million) | Amount utilised from 22 April 2020 up to date of this announcement (S\$' million) | Balance (on a re-allocated basis) as at the date of this announcement (S\$' million) |
|---|---|---|---|--|
| Full repayment of the bank loan | 64.46 | 64.46 | - | - |
| Continual expansion through acquisitions, joint ventures and/or strategic partnerships | 50.00 | 38.93 | 5.00 ⁽³⁾ | 6.07 |
| Development of BOT Projects in bulk water supply and water supply concessions in Indonesia ("Development Purposes") | 13.00 | 2.56 | 0.85 | 9.59 |
| General corporate and working capital requirements of the Group | 4.85 | 2.08 ⁽⁴⁾ | 0.80 ⁽⁴⁾ | 1.97 |
| Total use of net proceeds | 132.31 | 108.03 | 6.65 | 17.63 |
| Rights Issue expenses | 0.73 | 0.73 | - | - |
| Total | 133.04 | 108.76 | 6.65 | 17.63 |

Notes:

- Please refer to the Company's announcements dated 20 July 2018 and 27 February 2020 in respect of the re-allocation of use of Net Proceeds. The Company provided updates on the use of proceeds from the Rights Issue in its results announcement for the financial year ended 31 December 2019 in paragraph 20 of the announcement dated 27 February 2020.
- The Company provided an update on the use of proceeds from the Rights Issue on 21 April 2020.
- The Company had utilised S\$5 million from the Net Proceeds to fund the capital contribution by the Group in a new project company in Indonesia to undertake a Build-Operate-Transfer (BOT) project in West Semarang, Indonesia (please refer to the Company's announcement dated 12 September 2018 for further information on the aforesaid project).
- A breakdown of the use of proceeds from the Rights Issue for general corporate and working capital requirements of the Group is as follows:

| | S\$' million |
|------------------------------------|--------------|
| Staff cost | 1.33 |
| Office expense | 0.84 |
| General and administrative expense | 0.11 |
| Others | 0.60 |
| Total | 2.88 |

Save as disclosed above on the re-allocation, the use of the Net Proceeds is in accordance with the intended use as disclosed in the Offer Information Statement. The Company will make periodic announcements as and when the balance of the re-allocated Net Proceeds are materially disbursed.

On behalf of the Board of Directors

Mohammad Syahrial
Chief Executive Officer

Low Chai Chong
Lead Independent Director

3 August 2020