



MOYA HOLDINGS ASIA LIMITED

Registration number: 201301085G

**Unaudited Financial Statements and Dividend Announcement
For The Second Quarter and Six-Month Financial Period Ended 30 June 2017**

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

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

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PART I – INFORMATION REQUIRED FOR RESULTS ANNOUNCEMENT OF SECOND QUARTER (“2Q”) AND SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2017

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

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

	Group					
	Unaudited 3 months ended 30.06.2017	Unaudited 3 months ended 30.06.2016	Change + / (-)	Unaudited 6 months ended 30.06.2017	Unaudited 6 months ended 30.06.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Revenue	18,642	3,986	368	28,428	6,983	307
Cost of sales	(12,313)	(3,122)	294	(21,315)	(6,051)	252
Gross profit	6,329	864	633	7,113	932	663
Other items of income:						
Interest income	3,075	910	238	5,706	1,819	214
Other items of expenses:						
Administrative expenses	(3,549)	272	N.M	(4,641)	(1,465)	217
Finance cost	(1,679)	(136)	N.M	(1,797)	(301)	497
Other expenses	(796)	(108)	637	(945)	(244)	287
Non-recurring expenses:						
-Acquisition-related expenses	(1,197)	-	N.M	(1,197)	-	N.M
Other losses	(46)	(245)	(81)	(254)	(910)	(72)
Profit / (loss) before tax	2,137	1,557	37	3,985	(169)	N.M
Income tax expense	(1,003)	(78)	N.M	(1,494)	(123)	N.M
Profit / (loss) net of tax	1,134	1,479	(23)	2,491	(292)	N.M
Other comprehensive loss:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(498)	(16)	N.M	(2,360)	(758)	211
Other comprehensive loss for the financial period, net of tax	(498)	(16)	N.M	(2,360)	(758)	211
Total comprehensive income / (loss) for the financial period	636	1,463	(57)	131	(1,050)	N.M

N.M – not meaningful

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

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

	Group					
	Unaudited 3 months ended 30.06.2017	Unaudited 3 months ended 30.06.2016	Change + / (-)	Unaudited 6 months ended 30.06.2017	Unaudited 6 months ended 30.06.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Profit / (loss) attributable to:						
Owners of the Parent	1,160	1,393	(17)	2,487	(329)	N.M
Non-controlling interests	(26)	86	N.M	4	37	(86)
Profit / (loss) net of tax	1,134	1,479	(23)	2,491	(292)	N.M
Total comprehensive income / (loss) attributable to:						
Owners of the Parent	687	1,378	(50)	165	(1,087)	N.M
Non-controlling interests	(51)	85	N.M	(34)	37	N.M
Total comprehensive income / (loss)	636	1,463	(56)	131	(1,050)	(88)

N.M – not meaningful

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

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

	Group					
	Unaudited 3 months ended 30.06.2017	Unaudited 3 months ended 30.06.2016	Change + / (-)	Unaudited 6 months ended 30.06.2017	Unaudited 6 months ended 30.06.2016	Change + / (-)
	(S\$'000)	(S\$'000)	%	(S\$'000)	(S\$'000)	%
Sale of water and related services ⁽¹⁾	11,585	1,231	841	13,328	2,209	503
Service concession construction revenue ⁽¹⁾	7,057	2,755	156	15,100	4,774	216
Interest income from financial assets arising from service concession arrangements ⁽²⁾	2,426	687	253	4,886	1,381	254
Depreciation of plant and equipment	(176)	(25)	604	(246)	(75)	228
Amortisation of intangible assets ⁽³⁾	(1,225)	-	N.M	(1,225)	-	N.M
Interest on borrowings	(1,679)	(136)	N.M	(1,797)	(301)	497
Net foreign exchange adjustment losses ⁽⁴⁾	(29)	(253)	(89)	(254)	(910)	(72)

N.M – not meaningful

Notes:

- (1) Classified as revenue in the consolidated statement of profit or loss and other comprehensive income.
- (2) For accounting purposes, when the Group (as operator) receives payment during the period of the service concession arrangement, it will apportion such payment between a repayment of the financial asset arising from the construction activities of the service concession arrangement, reducing the carrying amount of the financial assets on its statement of financial position, and revenue from operating and maintaining the water treatment plant in its statement of profit or loss. Interest income on financial assets will also be recognized arising from the service concession arrangement.
- (3) Classified as cost of sales in the consolidated statement of profit or loss and other comprehensive income, and it relates to the amortisation of service concession arrangements under the Acuatico Group.
- (4) Classified as other losses in the consolidated statement of profit or loss and other comprehensive income.

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

	Group		Company	
	Unaudited 30.06.2017	Audited 31.12.2016	Unaudited 30.06.2017	Audited 31.12.2016
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Assets				
Non-current assets				
Plant and equipment	25,197	1,176	2	3
Investments in subsidiaries	-	-	100,079	91,751
Financial assets arising from service concession arrangements	78,403	62,056	-	-
Intangible assets	146,157	-	-	-
Goodwill ⁽²⁾	166,320	-	-	-
Deferred tax assets	4,328	-	-	-
Other assets, non-current	40	-	-	-
Total non-current assets	420,445	63,232	100,081	91,754
Current assets				
Inventories	5,637	1	-	-
Trade and other receivables	45,951	5,974	91	95
Cash and cash equivalents	98,397	63,071	15,400	24,337
Total current assets	149,985	69,046	15,491	24,432
Total assets	570,430	132,278	115,572	116,186
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	120,595	120,595	120,595	120,595
Capital reserve ⁽¹⁾	5,826	5,826	-	-
Share option reserve	591	591	591	591
Foreign currency translation reserve	(5,726)	(3,404)	-	-
Retained earnings / (Accumulated losses)	1,429	(1,058)	(5,874)	(5,275)
Equity, attributable to owners of the parent	122,715	122,550	115,312	115,911
Non-controlling interests	403	437	-	-
Total equity	123,118	122,987	115,312	115,911
Non-current liabilities				
Provisions, non-current	14,439	899	-	-
Provision arising from service concession	10,494	-	-	-
Other financial liabilities, non-current	388,824	3,924	-	-
Deferred tax liabilities	3,033	2,243	-	-
Total non-current liabilities	416,790	7,066	-	-
Current liabilities				
Other financial liabilities, current	5,703	688	-	-
Provision arising from service concession arrangement	459	-	-	-
Trade and other payables, current	24,360	1,537	260	275
Total current liabilities	30,522	2,225	260	275
Total liabilities	447,312	9,291	260	275
Total equity and liabilities	570,430	132,278	115,572	116,186

Notes:

- (1) Capital reserve comprised merger reserve which arose as a result of the difference between the consideration for the acquisition by the Company of Moya Asia Limited ("MAL") pursuant to the restructuring exercise completed in 2013, the scheme of arrangement and the issued share capital of MAL. Such merger reserve is a non-distributable reserve.
- (2) The identifiable assets and liabilities of the Acuatico Group as at acquisition date has been stated based on their net book values which management deems such values to approximate the fair values at this stage. The fair values are provisional as the hindsight period allowed by FRS 103 Business Combinations has not yet expired. Any excess of the cost of the business combination over the fair value of the net identifiable assets of the company will be recognised as goodwill.

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 2017 (S\$'000)		As at 31 December 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
6,162	-	688	-

Amount repayable after one year

As at 30 June 2017 (S\$'000)		As at 31 December 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
388,824	-	3,924	-

Details of any collateral

Collateral for the working capital and/or term loans as at 30 June 2017:

- Fiduciary of accounts receivables of certain subsidiaries of the Company
- Pledge over certain subsidiaries' ordinary shares and debt service reserve accounts
- Corporate guarantee from the Company and a subsidiary of the Company
- Top Up Cash Flow Guarantee from a subsidiary of the Company
- To maintain 3 months interest and one quarter of principal instalment in the debt service reserve account
- To maintain 5% margin deposit and one month interest and principal obligation in the bank account

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	Unaudited	Unaudited
	3 months ended 30.06.2017	3 months ended 30.06.2016	6 months ended 30.06.2017	6 months ended 30.06.2016
(\$'000)				
Cash flows from operating activities				
Profit / (Loss) before tax	2,137	1,557	3,985	(169)
<u>Adjustments for:</u>				
Depreciation and amortisation	1,401	25	1,471	75
Provisions, non-current	924	-	924	-
Financial assets arising from service concession arrangements	(6,568)	-	(14,612)	-
Unrealised foreign exchange losses	805	-	805	-
Provision arising from service concession	168	-	168	-
Interest income	(3,075)	(910)	(5,706)	(1,819)
Finance cost	1,679	136	1,797	301
Operating cash flows before changes in working capital	(2,529)	808	(11,168)	(1,612)
<u>Changes in working capital:</u>				
Financial assets arising from service concession arrangements	632	(2,417)	1,188	(4,180)
Construction cost – intangible asset	(551)	-	(551)	-
Inventories	(267)	-	(267)	-
Trade and other receivables	(1,126)	(626)	(293)	(417)
Trade and other payables	1,154	(4,673)	1,245	(3,945)
Net cash flows from operations	(2,687)	(6,908)	(9,846)	(10,154)
Income taxes paid	(634)	-	(747)	(24)
Net cash flows used in operating activities	(3,321)	(6,908)	(10,593)	(10,178)
Cash flows from investing activities				
Interest received	273	223	445	438
Purchase of plant and equipment	(240)	-	(332)	(208)
Acquisition of subsidiaries (net of cash acquired)	(95,520)	-	(95,520)	-
Net cash flows (used in) / from investing activities	(95,487)	223	(95,407)	230
Cash flows from financing activities				
Interest paid	(1,679)	(136)	(1,797)	(301)
Repayment of loan	(153)	-	(361)	-
Proceeds from loan	144,566	-	144,566	-
Issue of shares (net)	-	-	-	50,132
Net cash flows from / (used in) financing activities	142,734	(136)	142,408	49,831
Net increase / (decrease) in cash and cash equivalents	43,926	(6,821)	36,408	39,883
Cash and cash equivalents, statement of cash flows, beginning balance	54,882	73,955	63,071	28,030
Net effects of exchange rate changes	(411)	(229)	(1,082)	(1,008)
Cash and cash equivalents, statement of cash flows, closing balance	98,397	66,905	98,397	66,905

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

Group	Share capital	Capital reserve ⁽¹⁾	Share option reserve	Foreign currency translation reserve	Retained earnings/ (Accumulated losses)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
At 1 April 2016	120,595	5,826	668	(7,897)	(5,813)	113,379	298	113,677
Profit for the financial period	-	-	-	-	1,393	1,393	86	1,479
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(15)	-	(15)	(1)	(16)
Total comprehensive (loss) / income for the financial period	-	-	-	(15)	1,393	1,378	85	1,463
At 30 June 2016	120,595	5,826	668	(7,912)	(4,420)	114,757	383	115,140
At 1 April 2017	120,595	5,826	591	(5,253)	269	122,028	454	122,482
Profit / (loss) for the financial period	-	-	-	-	1,160	1,160	(26)	1,134
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(473)	-	(473)	(25)	(498)
Total comprehensive (loss) / income for the financial period	-	-	-	(473)	1,160	687	(51)	636
At 30 June 2017	120,595	5,826	591	(5,726)	1,429	122,715	403	123,118

Note:

(1) Capital reserve comprised merger reserve which arose as a result of the difference between the consideration for the acquisition by the Company of MAL pursuant to the restructuring exercise completed in 2013, the scheme of arrangement and the issued share capital of MAL. Such merger reserve is a non-distributable reserve.

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

Group	Share capital	Capital reserve ⁽¹⁾	Share option reserve	Foreign currency translation reserve	Retained earnings/ (Accumulated losses)	Equity attributable to owners of the 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 2016	70,463	5,826	668	(7,154)	(4,091)	65,712	346	66,058
(Loss) / profit for the financial period	-	-	-	-	(329)	(329)	37	(292)
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(758)	-	(758)	-	(758)
Total comprehensive (loss) / income for the financial period	-	-	-	(758)	(329)	(1,087)	37	(1,050)
Issue of share capital, net of expenses	50,132	-	-	-	-	50,132	-	50,132
Transactions with owners of parent, recognised directly in equity	50,132	-	-	-	-	50,132	-	50,132
At 30 June 2016	120,595	5,826	668	(7,912)	(4,420)	114,757	383	115,140
At 1 January 2017	120,595	5,826	591	(3,404)	(1,058)	122,550	437	122,987
Profit for the financial period	-	-	-	-	2,487	2,487	4	2,491
Other comprehensive loss								
Foreign currency translation differences of foreign operations	-	-	-	(2,322)	-	(2,322)	(38)	(2,360)
Total comprehensive (loss) / income for the financial period	-	-	-	(2,322)	2,487	165	(34)	131
At 30 June 2017	120,595	5,826	591	(5,726)	1,429	122,715	403	123,118

Note:

(1) Capital reserve comprised merger reserve which arose as a result of the difference between the consideration for the acquisition by the Company of MAL pursuant to the restructuring exercise completed in 2013, the scheme of arrangement and the issued share capital of MAL. Such merger reserve is a non-distributable reserve due to its capital nature.

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

Company	Share capital (S\$'000)	Share option reserve (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
At 1 April 2016	120,595	668	(4,657)	116,606
Loss and total comprehensive loss for the financial period	-	-	(228)	(228)
At 30 June 2016	120,595	668	(4,885)	116,378
At 1 April 2017	120,595	591	(5,549)	115,637
Loss and total comprehensive loss for the financial period	-	-	(325)	(325)
At 30 June 2017	120,595	591	(5,874)	115,312

Company	Share capital (S\$'000)	Share option reserve (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
At 1 January 2016	70,463	668	(4,381)	66,750
Loss and total comprehensive loss for the financial period	-	-	(504)	(504)
Issue of shares, net of expenses	50,132	-	-	50,132
Transactions with owners of the parent, recognised directly in equity	50,132	-	-	50,132
At 30 June 2016	120,595	668	(4,885)	116,378
At 1 January 2017	120,595	591	(5,275)	115,911
Loss and total comprehensive loss for the financial period	-	-	(599)	(599)
At 30 June 2017	120,595	591	(5,874)	115,312

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

Issued and paid-up share capital	Number of shares	Share capital (S\$'000)
As at 31 March 2017 and 30 June 2017	2,800,923,962	120,595

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

As at 30 June 2017, the number of outstanding share options under the Employee Share Option Scheme ("ESOS") was 10,400,000 (as at 30 June 2016: 11,400,000).

Save as disclosed above, there were no other outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

The total number of issued shares (excluding treasury shares) as at 30 June 2017 was 2,800,923,962 (as at 31 December 2016: 2,800,923,962).

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 financial period ended 30 June 2017.

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

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the financial period ended 30 June 2017

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2016.

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

The Group has adopted the applicable new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for the accounting period beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for the current financial period report on.

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 / (Loss) per ordinary share based on - net profit/(loss) attributable to owners of the parent (numerator), and - weighted average number of ordinary shares in issue (denominator)	3 months ended 30.06.2017 (cents)	3 months ended 30.06.2016 (cents)	6 months ended 30.06.2017 (cents)	6 months ended 30.06.2016 (cents)
(i) On a basic basis; and (ii) On a fully diluted basis	0.04 0.04	0.05 0.05	0.09 0.09	(0.01) (0.01)
Weighted average number of ordinary shares in issue:				
- for the purpose of basic earnings/(loss) per ordinary share	2,800,923,962	2,800,923,962	2,800,923,962	2,590,272,076
- for the purpose of diluted earnings/(loss) per ordinary share	2,811,323,962 ⁽²⁾	2,800,923,962 ⁽¹⁾	2,811,323,962 ⁽²⁾	2,590,272,076 ⁽¹⁾

Notes:

- (1) Share options granted under the ESOS (see note 1(d)(ii)) were excluded from the diluted weighted average number of ordinary shares calculation as its effect would have been anti-dilutive.
- (2) Share options granted under the ESOS (see note 1(d)(ii)) were included in the diluted weighted average number of ordinary shares calculation as its effect would have been dilutive.

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

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net asset value per ordinary share based on issued share capital ⁽¹⁾ (cents)	4.38	4.38	4.12	4.14

Note:

- (1) Based on an issued share capital of 2,800,923,962 ordinary shares as at 30 June 2017 (31 December 2016: 2,800,923,962 ordinary shares).

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

Following the completion of the acquisition by the Group of the entire issued and paid-up ordinary shares in the capital of Acuatico Pte. Ltd. (the "**Acuatico Acquisition**") on 8 June 2017 (the "**Completion Date**"), Acuatico Pte. Ltd. and its subsidiaries (namely, PT Aetra Air Jakarta, PT Aetra Air Tangerang and PT Acuatico Air Indonesia) (the "**Acuatico Group**") are treated as subsidiaries of the Company. With effect from the Completion Date, the Group has consolidated the profit or loss and financial position of the Acuatico Group into the Group's financial statements.

8.1 Statement of Profit or Loss and Other Comprehensive Income (HY2017 vs HY2016)

8.1 (a) Revenue

The Group's revenue increased by S\$21.45 million, from S\$6.98 million for the six-month financial period ended 30 June 2016 ("**HY2016**") to S\$28.43 million for the six-month financial period ended 30 June 2017 ("**HY2017**"). The increase was attributable to (i) higher percentage of completion achieved for the construction revenue of the build-operate-transfer ("**BOT**") projects in Indonesia, (ii) higher water sales contributed by the Tangerang BOT project, and (iii) water sales of S\$10.32 million contributed from the Acuatico Group.

8.1 (b) Gross Profit

The Group's gross profit increased by S\$6.18 million, from S\$0.93 million in HY2016 to S\$7.11 million in HY2017. The increase was attributable to the higher water sales contributed by the BOT projects in Bekasi and Tangerang as well as the inclusion of water sales from the Acuatico Group.

Gross profit margin increased from 13.35% in HY2016 to 25.02% in HY2017. The increase was mainly due to higher water sales margins from the BOT projects in Bekasi and Tangerang in HY2017 as compared to HY2016, and water sales contributed from the Acuatico Group.

8.1 (c) Interest Income

Interest income increased by S\$3.89 million, from S\$1.82 million in HY2016 to S\$5.71 million in HY2017, mainly due to the recognition of higher interest income on the financial assets arising from service concession arrangement in HY2017 as compared to HY2016.

8.1 (d) Administrative Expenses

Administrative expenses increased by S\$3.17 million, from S\$1.47 million in HY2016 to S\$4.64 million in HY2017. The increase was mainly due to (i) higher salary expenses incurred in HY2017 as compared to HY2016; and (ii) the inclusion of the Acuatico Group's administrative expenses, including depreciation of plant and equipment.

8.1 (e) Finance Cost

Finance cost increased by S\$1.50 million, from S\$0.30 million in HY2016 to S\$1.80 million in HY2017, mainly due to higher interest expenses of the new bank loan obtained by the Group in connection with the Acuatico Acquisition.

8.1 (f) Other Expenses

Other expenses increased by S\$0.71 million, from S\$0.24 million in HY2016 to S\$0.95 million in HY2017, mainly due to the inclusion of the Acuatico Group's other expenses.

8.1 (g) Acquisition-Related Expenses

The Group incurred S\$1.20 million of acquisition-related expenses (comprising mainly professional fees) in HY2017 in connection with the Acuatico Acquisition.

8.1 (h) Other Losses

Other losses decreased by S\$0.66 million, from S\$0.91 million in HY2016 to S\$0.25 million in HY2017, mainly due to lower net foreign exchange adjustment losses in HY2017 as compared to HY2016.

8.1 (i) Income Tax Expense

Income tax expense increased by S\$1.37 million, from S\$0.12 million in HY2016 to S\$1.49 million in HY2017, mainly attributable to higher deferred tax provided for the financial income on the financial assets in HY2017 as compared to HY2016, and the inclusion of the Acuatico Group's income tax expense.

8.1 (j) Exchange Differences on Translating Foreign Operations, Net of Tax

The Group experienced currency translation differences from the consolidation of its foreign operations as the reporting currency of the Group's consolidated financials is in the Singapore Dollar ("S\$").

The Group recognized S\$2.36 million currency translation loss in HY2017 as the Indonesian Rupiah ("IDR") depreciated further against the S\$ during HY2017.

8.2 Statement of Profit or Loss and Other Comprehensive Income (2Q2017 vs 2Q2016)

8.2 (a) Revenue

The Group's revenue increased by S\$14.65 million, from S\$3.99 million for the three-month financial period ended 30 June 2016 ("2Q2016") to S\$18.64 million for the three-month financial period ended 30 June 2017 ("2Q2017"). The increase was attributable to (i) higher percentage of completion achieved for the construction revenue of the BOT projects in Indonesia; (ii) higher water sales contributed by the Tangerang BOT project in 2Q2017 as compared to 2Q2016, and (iii) water sales of S\$10.32 million contributed by the Acuatico Group.

8.2 (b) Gross Profit

The Group's gross profit increased by S\$5.47 million, from S\$0.86 million in 2Q2016 to S\$6.33 million in 2Q2017. The increase was attributable to the higher water sales contributed by the BOT projects in Bekasi and Tangerang as well as the inclusion of the water sales from the Acuatico Group.

Gross profit margin increased from 21.68% in 2Q2016 to 33.95% in 2Q2017. The increase was mainly due to higher water sales margins from the BOT projects in Bekasi and Tangerang in 2Q2017 as compared to 2Q2016, and water sales contributed from the Acuatico Group.

8.2 (c) Interest Income

Interest income increased by S\$2.17 million, from S\$0.91 million in 2Q2016 to S\$3.08 million in 2Q2017, due to the recognition of finance income on the financial assets arising from the construction activities of the BOT project at the Bekasi Regency for accounting purposes and interest income from time deposit from the Acuatico Group.

8.2 (e) Administrative Expenses

Administrative expenses increased by S\$3.82 million in 2Q2017 as compared to 2Q2016. The increase was mainly due to the inclusion of the Acuatico Group's administrative expenses, including depreciation of plant and equipment.

8.2 (f) Finance Cost

Finance cost increased by S\$1.54 million, from S\$0.14 million in 2Q2016 to S\$1.68 million in 2Q2017, mainly due to higher interest expenses of the new bank loan obtained by the Group in connection with the Acuatico Acquisition.

8.2 (g) Acquisition-Related Expenses

The Group incurred S\$1.20 million of acquisition-related expenses (comprising mainly professional fees) in 2Q2017 in connection with the Acuatico Acquisition.

8.2 (h) Other Expenses

Other expenses increased by S\$0.69 million, from S\$0.11 million in 2Q2016 to S\$0.80 million in 2Q2017, mainly due to the inclusion of the Acuatico Group's other expenses.

8.2 (i) Other Losses

Other losses decreased by S\$0.20 million, from S\$0.25 million in 2Q2016 to S\$0.05 million in 2Q2017 due to lower unrealized forex exchange losses in 2Q2017 as compared to 2Q2016.

8.2 (j) Income Tax Expense

Income tax expense decreased by S\$0.92 million, from S\$0.08 million in 2Q2016 to S\$1.00 million in 2Q2017, mainly attributable to higher deferred tax provided for the financial income on the financial assets in 2Q2017 as compared to 2Q2016 and the inclusion of the Acuatico Group's income tax expense.

8.2 (k) Exchange Differences on Translating Foreign Operations, Net of Tax

The Group experienced currency translation differences from the consolidation of its foreign operations as the reporting currency of the Group's consolidated financials is in the S\$.

The Group recognized S\$0.50 million currency translation loss in 2Q2017 as the IDR further depreciated against the S\$ during 2Q2017.

8.3 Statement of Financial Position (30.06.2017 vs 31.12.2016)

The Group's total equity increased by S\$0.13 million, from S\$122.99 million as at 31 December 2016 to S\$123.12 million as at 30 June 2017. The increase was due to an increase in retained earnings, partially offset by an increase in loss in foreign currency translation reserve.

8.3 (a) Non-current Assets

The Group's non-current assets increased by S\$357.22 million or 564.95%, from S\$63.23 million as at 31 December 2016 to S\$420.45 million as at 30 June 2017. This was mainly due to the following:

- Increase in recognition of financial assets of S\$16.35 million in accordance with INT FRS 112 for the BOT projects in Indonesia.
- Inclusion of the acquired non-current assets of the Acuatico Group comprising plant and equipment, intangible assets and deferred tax assets.
- Goodwill arising from the Acuatico Acquisition of S\$166.32 million.

8.3 (b) Current Assets

The Group's current assets increased by S\$80.94 million, from S\$69.05 million as at 31 December 2016 to S\$149.99 million as at 30 June 2017. The increase was mainly due to the inclusion of the acquired current assets of the Acuatico Group comprising inventories, trade and other receivables and cash and cash equivalents.

8.3 (c) Non-current Liabilities

The Group's non-current liabilities increased by S\$409.72 million, from S\$7.07 million as at 31 December 2016 to S\$416.79 million as at 30 June 2017, mainly due to the new bank loan obtained by the Group in connection with the Acuatico Acquisition and the inclusion of the acquired non-current liabilities from the Acuatico Group comprising non-current provisions and provision arising from service concession.

8.3 (d) Current Liabilities

The Group's current liabilities increased by S\$28.29 million, from S\$2.23 million as at 31 December 2016 to S\$30.52 million as at 30 June 2017, mainly due to the inclusion of the acquired non-current liabilities from the Acuatico Group comprising other financial liabilities and trade and other payables.

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

The Group reported a positive working capital of S\$119.46 million as at 30 June 2017 as compared to S\$66.82 million as at 31 December 2016, mainly due to the increase in net current assets arising from the Acuatico Acquisition.

8.4 Statement of Cash Flows (HY2017)

Net cash flows used in operating activities in HY2017 was S\$10.59 million, due to operating cash outflows before changes in working capital of S\$11.17 million and changes in working capital of S\$1.32 million. Changes in working capital was mainly due to (i) recognition of financial assets of S\$1.19 million in accordance with INT FRS 112 for the BOT projects in Indonesia; (ii) recognition of construction costs and inventories of S\$0.55 million and S\$0.27 million respectively, arising from the Acuatico Acquisition; (iii) an increase in trade and other receivables of S\$0.29 million; and (iv) an increase in trade and other payables of S\$1.25 million.

Net cash used in investing activities for HY2017 was S\$95.41 million, due to the costs incurred in relation to the Acuatico Acquisition.

Net cash generated from financing activities for HY2017 of S\$142.41 million was attributable to the proceeds from the new bank loan obtained by the Group in connection with the Acuatico Acquisition.

8.5 Statement of Cash Flows (2Q2017)

Net cash flows used in operating activities in 2Q2017 was S\$3.32 million, due to operating cash outflows before changes in working capital of S\$2.53 million and changes in working capital of S\$0.16 million. Changes in working capital was due to (i) recognition of financial assets of S\$0.63 million in accordance with INT FRS 112 for the BOT projects in Indonesia; (ii) recognition of construction costs of S\$0.55 million arising from the Acuatico Acquisition; (iii) recognition of inventories of S\$0.27 million arising from the Acuatico Acquisition; (iv) an increase in trade and other receivables of S\$1.13 million; and (vii) an increase in trade and other payables of S\$1.15 million.

Net cash used in investing activities for 2Q2017 was S\$95.49 million, due to the costs incurred in relation to the Acuatico Acquisition and the purchase of plant and equipment.

Net cash generated from financing activities for 2Q2017 was S\$142.73 million, and was attributable to the proceeds from the new bank loan obtained by the Group in connection with the Acuatico Acquisition.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

The Group will continue its efforts in its long-term strategy to achieve strong organic growth and acquisition-driven expansion to attain sustainable growth and maximise value for our shareholders.

In line with this, the Group announced in June 2017 the completion of the acquisition of Acuatico Pte. Ltd., an investment holding company incorporated in Singapore in the business of developing and operating water treatment facilities and associated distribution pipelines for the distribution of clean water in Indonesia. With this acquisition, the Group will expand its business reach significantly and boost production capacity by more than four-fold, thus allowing the Group to emerge as one of the leading private players in Indonesia's water treatment industry with a total water treatment capacity of 13,935 litre per second.

According to the National Mid-Term Development Plan 2015 – 2019, the Indonesian government aims for all Indonesians to have access to clean water by 2019. In order to achieve this goal, the Indonesian government will require more than Rp 660 trillion of investments within the next five years in a bid to provide all Indonesians with access to clean water and sanitation¹. As such, the Group remains cautiously optimistic on the demand of its product and services in the Indonesian market and believes the Indonesian water industry will continue to receive significant investments in the coming years.

With the acquisition of Acuatico Pte. Ltd., the increase in production of our existing water treatment plants and overall growth of the Indonesian water industry, barring any unforeseen circumstances, the Group remains cautiously optimistic about its performance for the financial year ending 31 December 2017.

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.

¹ 14 May 2014, "All Indonesians to have access to clean water by 2019", *The Jakarta Post*. Retrieved from <http://www.thejakartapost.com/news/2014/05/14/all-indonesians-have-access-clean-water-2019.html>

12. If no dividend has been declared (recommended), a statement to that effect

The board of directors (“**Board**”) does not recommend any dividends to be declared for HY2017.

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

No general mandate for IPT has been obtained from shareholders.

There were no IPTs during HY2017.

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

We, Mohammad Syahrial and Low Chai Chong, being directors of the Company, do hereby confirm, on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the second quarter and six-month financial period ended 30 June 2017 to be false or misleading in any material aspect.

15. Use of Proceeds

I) Placement to Tamaris Pte Ltd, completed in April 2015

Use of net proceeds	Allocation of net proceeds (as disclosed in the circular to shareholders dated 20 March 2015) (S\$'million)	Net proceeds utilised as at 02 May 2017 (S\$'million)	Net proceeds utilised as at the date of this announcement (S\$'million)	Balance of net proceeds as at the date of this announcement (S\$'million)
Capital expenditure requirements for the projects in Indonesia	26.40	22.48	24.97	1.43
General corporate and working capital requirements	2.85	2.04	2.46 ⁽¹⁾	0.39
Total	29.25	24.52	27.43	1.82

Note:

(1) Operating expenses comprising mainly staff costs of S\$1.17 million, office expenses of S\$0.29 million and general administrative expenses of S\$1.0 million.

II) Rights Issue, completed in January 2015

Use of net proceeds	Allocation of net proceeds (as disclosed in the circular to shareholders dated 31 December 2015) (S\$'million)	Net proceeds utilised as at 02 May 2017 (S\$'million)	Net proceeds utilised as at the date of this announcement (S\$'million)	Balance of net proceeds as at the date of this announcement (S\$'million)
Development of the BOT projects in Indonesia	32.58	-	-	32.58
Expansion through acquisitions, joint ventures and/or strategic partnerships	15.04	-	4.89	10.15
General corporate and working capital requirements of the Group	2.51	-	-	2.51
Total	50.13	-	4.89	45.24

The Company will make periodic announcements via SGXNet on the utilisation of the balance of the net proceeds raised from the above transactions as and when such funds are materially disbursed.

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

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

On behalf of the Board of Directors

Mohammad Syahrial
Chief Executive Officer

Low Chai Chong
Non-Executive Chairman

14 August 2017