



(Incorporated in the Republic of Singapore)  
Company registration number 201301085G

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Singapore 068902  
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MOYA HOLDINGS ASIA LIMITED

ANNUAL REPORT 2016



## CORPORATE PROFILE

**Moya Holdings Asia Limited** is mainly engaged in the investment and development of total water solutions. Together with its subsidiaries, the Group aims to be the partner of choice to cities, as well as private and public entities for their reliable, sustainable and cost effective water supply.

With a proximate focus on Indonesia, Moya Holdings Asia Limited has three build, operate and transfer (“BOT”) projects, under contract and development by its subsidiaries, PT Moya Bekasi Jaya, PT Moya Tangerang and PT Moya Makassar respectively.

*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 Catalyst. 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.*

## CORPORATE INFORMATION

### COMPANY INFORMATION

MOYA HOLDINGS ASIA LIMITED  
Incorporated in the Republic of Singapore  
on 09 January 2013  
Company Registration No. 201301085G

### STOCK EXCHANGE LISTING

Listed on Singapore Exchange – Catalyst  
SGX Code: 5WE

### BOARD OF DIRECTORS

LOW CHAI CHONG  
*Chairman, Non-Executive,  
Lead Independent Director*

MOHAMMAD SYAHRIAL  
*Chief Executive Officer*

IRWAN A. DINATA  
*Managing Director*

SIMON A. MELHEM  
*Executive Director*

ZIYAD F. OMAR  
*Non-Executive Non-Independent Director*

HWANG KIN SOON IGNATIUS  
*Non-Executive Independent Director*

### AUDIT COMMITTEE

LOW CHAI CHONG *(Chairman)*  
ZIYAD F. OMAR  
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  
ZIYAD F. OMAR

### COMPANY SECRETARY

EDWIN TEO CHIN KEE

### REGISTERED OFFICE

112 Robinson Road  
#05-01  
Singapore 068902  
Tel: (65) 6365 0652  
Fax: (65) 6365 1025  
www.moyaasia.com

### SHARE REGISTRAR AND SHARE TRANSFER OFFICE

M & C SERVICES PRIVATE LIMITED  
112 Robinson Road  
#05-01  
Singapore 068902

### INDEPENDENT AUDITOR

RSM CHIO LIM LLP  
8 Wilkie Road  
#04-08 Wilkie Edge  
Singapore 228095

Partner-in-Charge:  
DEREK HOW BENG TIONG  
(since financial year ended  
31 December 2014)

### SPONSOR

ZICO CAPITAL PTE. LTD.  
8 Robinson Road  
#09-00 ASO Building  
Singapore 048544

### PRINCIPAL BANKER

OVERSEAS-CHINESE BANKING  
CORPORATION LIMITED  
65 Chulia Street  
#10-00 OCBC Centre  
Singapore 049513

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# MESSAGE FROM CHAIRMAN AND CEO



## DEAR SHAREHOLDERS,

On behalf of the board of directors (“**Board**”) of Moya Holdings Asia Limited (the “**Company**” or “**MHAL**”, 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 2016 (“**FY2016**”).

We achieved significant progress in our Build-Operate-Transfer (“**BOT**”) projects in 2016. In January 2016, the Group completed a new water treatment plant (“**WTP**”) with a production capacity of 500 litres per second (“**lps**”) in Tangerang. In March 2016, PT Moya Tangerang (“**MT**”) signed a second amendment to the cooperation agreement with Perusahaan Daerah Air Minum (“**PDAM**”) Tirta Benteng Kota Tangerang, whereby MT will focus on the water supply in Zone 1. PDAM Tirta Benteng Kota Tangerang also handed over the operation of its existing WTP with total capacity of 450 lps to MT in June 2016. In addition, MT restarted the pipe network installation and achieved significant progress of approximately 194 km installed as of March 2017. The capacity of MT had further increased by 200 lps through uprating process which was completed in February 2017.

PT Moya Bekasi Jaya (“**MBJ**”) is currently in its fifth year of commercial operation. MBJ completed the construction of a new WTP of 500 lps in February 2017. The plant commenced its full operation in April 2017. MBJ had also completed the construction of a new 2 x 2,000m<sup>3</sup> reservoir in Villa Mutiara Cikarang and is expected to commence its operation in May 2017. This reservoir is intended to support the water distribution from WTP of MBJ.

In 2016, there were a few changes in the management team of the Group. Mr Darmasen Anwar was appointed as the Chief Financial Officer (“**CFO**”) of the Company, assisted by Mr Goh Wee Meng Darren as the Financial Controller of the Company. We have also brought in a team of experienced industry professionals to join our management team in Indonesia, including Mrs Cecilia Aryani as Head of Corporate Procurement, Mr Benny Nugroho as Head of Engineering and Project Construction, Mr Muhammad Fajri as Head of Engineering and Mr Richard Touw as Head of Project Construction. We are confident that their skills and experience will enhance our team and create long-term shareholder value for the Group.



## MESSAGE FROM CHAIRMAN AND CEO

We are committed to further develop our business. In September 2016, PT Moya Indonesia (“MI”) signed a non-binding memorandum of understanding (“MOU”) with Maynilad Water Services Incorporation (“Maynilad”). This MOU is to establish and incorporate a joint venture company (“JV Company”) which will be engaged in the provision of water and wastewater, including but not limited to, pipe network design and installation, non-revenue water management and wastewater management in Indonesia. This was followed by the signing of a joint venture agreement in November 2016 where the Group, through MI, will own 51% of the JV Company, while Maynilad will own 49%.

In January 2017, MI had also entered into a non-binding MOU with the Government of Bekasi City to have a mutual understanding for the development of a water supply system (“SPAM”) in Bekasi City. The aforesaid MOU is intended to provide a cooperation and collaboration between MI and the Government of Bekasi City in preparing a feasibility study for the SPAM development in Bekasi City, whereby MI could be the initiator of the SPAM development plan in Bekasi City.

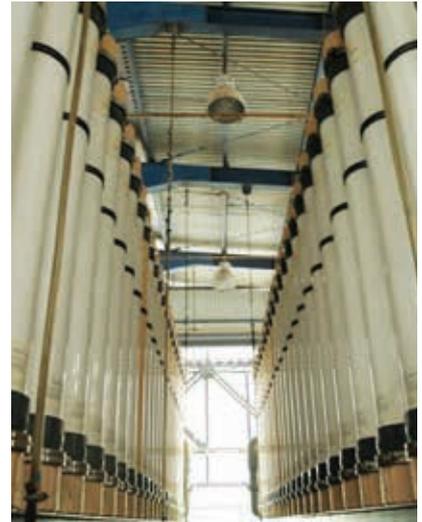
We successfully obtained the ISO 9001:2015 certificate in March 2017. This certificate is a testament of our innovation, creativity and effectiveness, and demonstrates our commitment to our customers in consistently delivering high quality services.

The Company will continue to seek organic and inorganic growth opportunities by evaluating new potential projects and prospective acquisitions that can further enhance our business expansion strategy.

On behalf of the Board and the management, we would like to thank all of our shareholders and investors, staff, clients, business partners and associates for their continued commitment and support for the Group. With a clear growth business model, coupled with an improving balance sheet, we aim to continue to create value for our shareholders.

**LOW CHAI CHONG**  
Chairman

**MOHAMMAD SYAHRIAL**  
Chief Executive Officer



# GROUP STRUCTURE



**Moya Indonesia Holdings Pte Ltd**  
**(Singapore)**  
**100%**



**PT Moya Indonesia**  
**(Indonesia)**  
**99.99%**



**PT Moya Bekasi Jaya**  
**(Indonesia)**  
**95%**



**PT Moya Tangerang**  
**(Indonesia)**  
**95%**



**PT Moya Makassar**  
**(Indonesia)**  
**95%**

# BOARD OF DIRECTORS

## MR LOW CHAI CHONG

Chairman, Non-Executive, Lead Independent Director

**Mr Low** is an advocate & solicitor of the Supreme Court of Singapore. He joined M/s Dentons Rodyk & Davidson LLP in 1986, and has been with the same firm his entire career. He has many years of legal experience representing MNCs, 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 (a company listed on the SGX-ST Catalist).

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

## MR MOHAMMAD SYAHRIAL

Chief Executive Officer

**Mr Syahrial** is the Chief Executive Officer of the Company, and is responsible for leading the development and execution of the Group's short and long term strategies and business plans.

Mr Syahrial has over 25 years of experience in the Indonesian private and government sectors during his career. He is currently the President Director of PT Tamaris Hidro, the Director of 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 such as 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.

My 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.

# BOARD OF DIRECTORS

## MR IRWAN A. DINATA

Managing Director

**Mr Dinata** is the Managing Director of the Company. Mr Dinata also serves as the CEO of PT Moya Indonesia and is responsible for overseeing the Group's day-to-day operations as well as executing the Group's projects in Indonesia.

Mr Dinata has more than 20 years of experience in the 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.

## MR SIMON A. MELHEM

Executive Director

**Mr Melhem** is an Executive Director of the Company, and is responsible for assisting Mr Syahrial and Mr Dinata in implementing the strategic goals and objectives of the Company.

Mr Melhem has over 20 years of experience in international infrastructure projects as well as mergers and acquisition transactions.

Prior to joining the Company, Mr Melhem was the CEO 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.

## BOARD OF DIRECTORS

### MR ZIYAD F. OMAR

Non-Executive, Non-Independent Director

**Mr Omar** is the founder and chief executive officer of Gulf One Investment Bank, with over 30 years of experience in the banking and finance industry. He was previously the Head of Corporate Banking Group at National Commercial Bank in Saudi Arabia and Chief Financial Officer of Al Faisaliah Group in Saudi Arabia. During the early stage of his career, Mr Omar also held senior position in corporate banking and structured finance at the former Saudi American Bank (a then subsidiary of Citibank) in Jeddah, where he co-pioneered the first securitisation transaction in Saudi Arabia. Prior to returning to the Gulf, Mr Omar spent a number of years working with Equitable Financial Services in California, USA.

Mr Omar is a member of the board of directors of several corporations in the Gulf Cooperation Council countries and Europe. He holds a Master in Business Administration and a Bachelor of Arts in Mathematics (Computer Science) from the California State University, Fresno, California, USA.

### MR HWANG KIN SOON IGNATIUS

Non-Executive, Independent Director

**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 (formerly known as Squire Sanders), he managed the Singapore office of a US law firm and was a partner with an Australian law firm. He also held various in-house counsel and law firm positions during the early stage 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.



# BOARD OF COMMISSIONERS

## MR THOMSON EDISON BATUBARA

President Commissioner  
PT Moya Indonesia

As President Commissioner of PT Moya Indonesia, Mr Batubara is responsible for leading the Board of Commissioners in overseeing and monitoring the implementation of good corporate governance in PT Moya Indonesia and its subsidiaries. Mr Batubara is also responsible for advising the management of PT Moya Indonesia on the commercial and risk management with regards to strategic development and business plan execution of the Group's projects in Indonesia.

During his 35 years of experience as a Public Accountant, Mr Batubara spent his career with Ernst & Young and Price Waterhouse Coopers, both in Indonesia and Los Angeles, USA. Before his retirement as a Senior Partner of Price Waterhouse Coopers in 2014, he was involved in the audit of companies from various industries. He has broad experiences in advising companies on the process for Initial Public Offering (IPO) on the Indonesia Stock Exchange. Mr Batubara led several special audits of Indonesia Government-Owned Entities, assisted the International Monetary Funds (IMF) and Indonesia Ministry of Finance (MOF) in 1998.

Mr Batubara graduated from the University of Indonesia. Mr Batubara is an Indonesian Certified Public Accountant (CPA) and a member of the Indonesia Institute of Public Accountant ("IAPI") and served as Vice President of Accountants Forum for Capital Market and Head of Quality Control section of the IAPI.

## MR SURYA DHARMA

Commissioner  
PT Moya Indonesia

As Commissioner of PT Moya Indonesia, Mr Dharma is responsible for advising the management of PT Moya Indonesia on the social and communication development with regards to strategic development and business plan execution of the Group's projects in Indonesia.

Mr Dharma has served the Indonesian Police Force for more than 45 years prior to joining PT Moya Indonesia. Prior to his retirement as a police officer, he was the Head of Special Detachment 88 (Densus 88), an Indonesian Special Counter Terrorism. He retired from the Indonesian Police Force with the rank of Brigadier General.

## MR UNTUNG UDJI SANTOSO

Commissioner  
PT Moya Indonesia

As Commissioner of PT Moya Indonesia, Mr Santoso is responsible for advising the management of PT Moya Indonesia on the legal and regulations compliance with regards to the strategic development and business plan execution of the Group's projects in Indonesia.

Mr Santoso has served in the Attorney General of Indonesia for more than 34 years. Prior to his retirement from the Attorney General of Indonesia, he was the Deputy General Attorney of Civil Law and State Administrative.

# MANAGEMENT TEAM

## MR TRI HERUTANTOYO

Chief Administration Officer  
PT Moya Indonesia

**Mr Herutantoyo** joined PT Moya Indonesia as the Chief Administration Officer in April 2015. He also serves as Commissioner of PT Moya Bekasi Jaya and PT Moya Makassar. He is responsible for managing the Group's relationship with the Indonesian government, social issues, procurement and logistic, legal and corporate secretary, general administration of PT Moya Indonesia and its subsidiaries.

He has more than 30 years of experience in the government sector in Indonesia. From 2004 to 2014, he was the Director of Legal, Human Resources and General Affair in a state-owned asset management company, PT Perusahaan Pengelola Aset. From 2000 to 2004, he worked at Indonesian Bank Restructuring Agency, where he was responsible for analysing various companies' financial reports and identifying irregularities on financial transactions. He started his career with the Financial and Development Supervisory Agency in various auditors' roles from 1979 to 1999.

Mr Herutantoyo completed his Master of Business Administration degree from the Cleveland States University, USA.

## MR DARMASEN ANWAR

Chief Financial Officer  
Moya Holdings Asia Limited  
PT Moya Indonesia

**Mr Anwar** joined PT Moya Indonesia as the Chief Financial Officer in April 2015 and was subsequently appointed as the Chief Financial Officer of Moya Holdings Asia Limited in October 2016. He also serves as Commissioner of PT Moya Makassar. He is responsible for managing the Group's finance and accounting, including taxation and corporate finance, as well as business development and human resources.

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.

## MR JOEDI HERIJANTO

Chief Operating Officer  
PT Moya Indonesia

**Mr Herijanto** joined PT Moya Indonesia as the Chief Operating Officer in August 2015. He also serves as the Director of PT Moya Bekasi Jaya. He is responsible for managing the operations of the water treatment plants under PT Moya Indonesia and its subsidiaries.

Mr Herijanto has more than 25 years of experience in the urban water treatment and supply sector. Prior to joining PT Moya Indonesia, he was a business development manager for an international consultancy firm, a training specialist and benchmarking expert for The World Bank Institute and the technical director of PDAM Bandung Regency.

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

# MANAGEMENT TEAM

## MR YUNI SUPRIYANTO

Head of Business Development  
PT Moya Indonesia

**Mr Supriyanto** joined PT Moya Indonesia in 2011 and currently serves as Head of Business Development. He also serves as the Director of PT Moya Tangerang and PT Moya Makassar. He is responsible for maintaining and developing new opportunities in the municipal water and wastewater businesses in Indonesia.

Mr Supriyanto has over 20 years of experience in various engineering and construction of water and wastewater treatment, working with international companies from Japan, United Kingdom and United States. He previously worked in General Electric's water business segment in Indonesia as account manager where he developed significant engineering and leadership knowledge.

Mr Supriyanto graduated with a Bachelor of Chemical Engineering degree from the Bandung Institute of Technology and completed his Master of Finance from the Prasetiya Mulya Business School, Jakarta.

## MRS CECILIA ARYANI

Head of Corporate Procurement  
PT Moya Indonesia

**Mrs Aryani** joined PT Moya Indonesia in September 2015. Mrs Aryani has more than 25 years of experience in Indonesian private and multinational companies during her career. Prior to joining PT Moya Indonesia, Mrs Aryani was the Managing Director of IT Outsourcing Company, the main vendor for Microsoft Indonesia from 2005 to 2011. Mrs Aryani also served as the Corporate Audit Director from 2001 to 2005, and the Finance Director from 1997 to 2001, in General Electric (GE) Capital, Indonesia. Mrs Aryani started her career as an IT consultant where she developed integrated IT systems for financial institutions, trading and manufacturing companies.

Mrs Aryani graduated with a Bachelor of Management Information System degree from the Bina Nusantara University, Jakarta and completed her Master Management degree from the IPMI Executive Business School, Jakarta. She is also an International Certified Reiss Profile Master and a Certified Green Belt Six Sigma.

## MR BENNY NUGROHO

Head of Engineering and Project Construction  
PT Moya Indonesia

**Mr Nugroho** joined PT Moya Indonesia as the Head of Engineering and Project Construction in May 2016. He is responsible for technical projects planning and execution within PT Moya Indonesia and its subsidiaries.

Mr Nugroho has more than 20 years of experience in project design and construction in various industries.

He completed a Diploma degree in business administration from PPM Graduate School of Management, Jakarta, and graduated with a Bachelor of Architecture from the University of Parahyangan, Bandung.

## MR WILMART SIBURIAN

Head of Internal Audit  
PT Moya Indonesia

**Mr Siburian** was appointed as Head of Internal Audit of PT Moya Indonesia in 2016. He is responsible for managing technical control, examination and evaluation of the Group's system and operation in order to ensure compliance to all applicable internal and external standards. Prior to his position as Head of Internal Audit, Mr Siburian was the General Manager of PT Moya Tangerang, where he is responsible for production and projects planning.

Prior to joining PT Moya Indonesia, he worked at PT Pam Lyonnaise Jaya (PALYJA) from 2004 to 2013, a subsidiary of Suez Environment and Astra International as Head of the Production Division and Head of the Network Engineering Division.

Mr Siburian graduated with a Bachelor of Environmental Engineering degree from the Bandung Institute of Technology in 1992 and completed a Master of Business Administration from the Prasetiya Mulya Business School, Jakarta in 2012.

## MANAGEMENT TEAM

### MR MUHAMAD FAJRI

Head of Engineering  
PT Moya Indonesia

**Mr Fajri** joined PT Moya Indonesia in 2016 as the Head of Engineering. Mr Fajri is responsible for detail engineering design (DED) and feasibility study of projects. Prior to joining PT Moya Indonesia, he served as the Chairman and Managing Director of PT Bestindo Putra Mandiri, a water and wastewater treatment contractor.

Mr Fajri has more than 20 years of experience in the water treatment industry, specializing in design, upgrade, and technical due diligence of water treatment plants.

### MR RICHARD TOUW

Head of Project Construction  
PT Moya Indonesia

**Mr Touw** joined PT Moya Indonesia in 2013 as Head of Procurement and currently serves as the Head of Project Construction. He is responsible for coordinating and monitoring project progress, as well as preparing work plans for on-going projects.

Prior to joining PT Moya Indonesia, Mr Touw is the Project Manager for Water and Urban Development Business Line for PT AECOM Indonesia. Prior to that, Mr Touw served as Regional Project Manager and Coordinator for Mitra Lingkungan Dutaconsult, and as a Baseline Survey Project Manager in Patra Reksa Konsulindo.

Mr Touw graduated with a Bachelor of Civil Engineering degree from the Patra Christian University, Surabaya.

### MR GOH WEE MENG DARREN

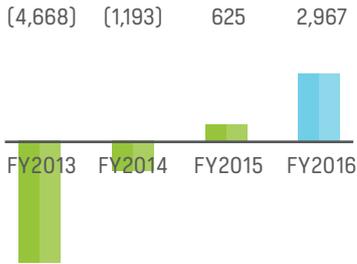
Financial Controller  
Moya Holdings Asia Limited

**Mr Goh** joined Moya Holdings Asia Limited as the Financial Controller in October 2016. He is responsible for the Company's accounting, taxation, audit and financial management. Mr Goh has more than 15 years of finance and accounting experience. From 2009 to 2016, he worked at EuroFin Asia Group Pte Ltd, an asset management firm in Singapore, where he last held the position of Head of Finance.

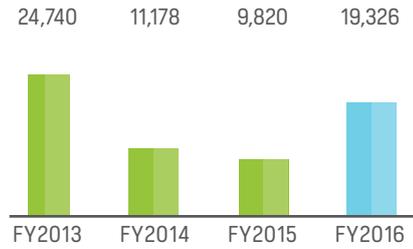
Mr Goh graduated from the Association of Chartered Certified Accountants (ACCA). He is a member of the ACCA and the Institute of Singapore Chartered Accountants (ISCA). He graduated with a Diploma degree in Accountancy from Ngee Ann Polytechnic, Singapore.

# FINANCIAL HIGHLIGHTS

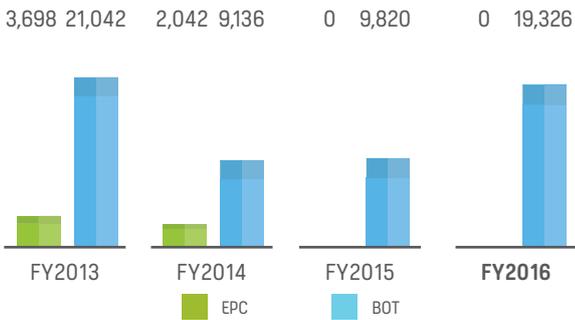
## NET (LOSS)/PROFIT (S\$'000)



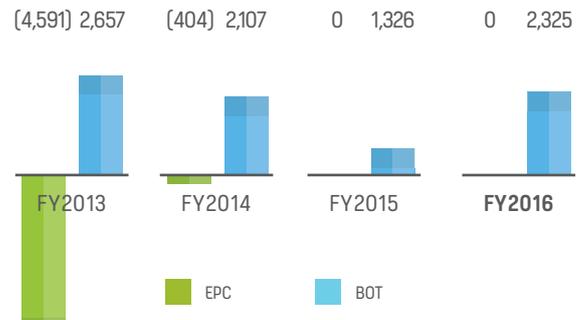
## REVENUE (S\$'000)



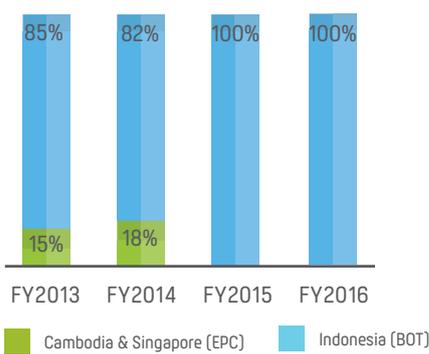
## SEGMENT REVENUE (S\$'000)



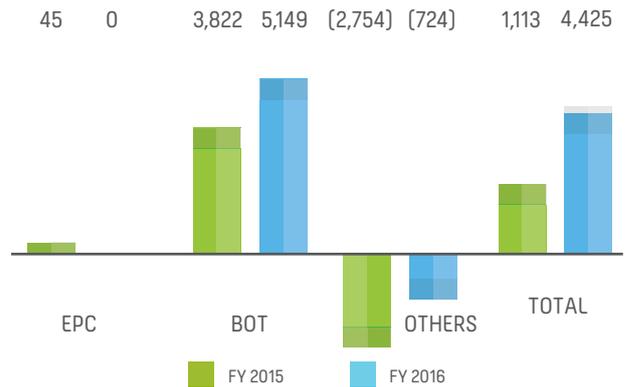
## SEGMENT GROSS (LOSS)/PROFIT (S\$'000)



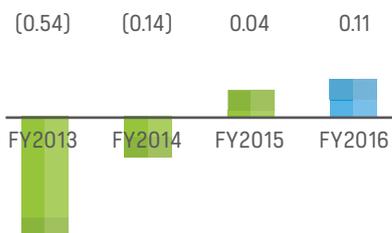
## REVENUE % BY GEOGRAPHICAL SEGMENT



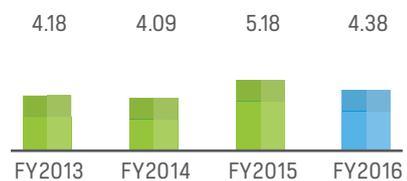
## SEGMENT RESULTS BEFORE TAXES (S\$'000)



## (LOSS)/EARNINGS PER SHARE (CENTS)



## NET ASSET VALUE PER SHARE (CENTS)



# BUSINESS AND FINANCIAL REVIEWS

Consolidated Statement of Profit or Loss & Other Comprehensive Income	FY 2016 [\$S'000]	FY 2015 [\$S'000]	Change %
<b>CONTINUING OPERATIONS</b>			
Revenue	19,326	9,820	97
Cost of sales	(17,001)	(8,494)	100
<b>Gross profit</b>	<b>2,325</b>	<b>1,326</b>	<b>75</b>
Interest income and other gains	7,390	3,695	100
Administrative expenses	(3,551)	(2,960)	20
Finance costs, other expenses, and other losses	(1,739)	(993)	75
<b>Profit before tax from continuing operations</b>	<b>4,425</b>	<b>1,068</b>	<b>314</b>
Income tax expense	(1,458)	(488)	199
<b>Profit from continuing operations, net of tax</b>	<b>2,967</b>	<b>580</b>	<b>412</b>
<b>DISCONTINUED OPERATIONS</b>			
Gain from discontinued operations, net of tax	–	45	(100)
<b>Profit, net of tax</b>	<b>2,967</b>	<b>625</b>	<b>375</b>
<b>Other comprehensive income/(loss):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurements of defined benefit pension plans, net of tax	52	–	N.M
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	3,778	(859)	N.M
<b>Other comprehensive income/(loss), net of tax:</b>	<b>3,830</b>	<b>(859)</b>	<b>N.M</b>
<b>Total comprehensive income/(loss)</b>	<b>6,797</b>	<b>(234)</b>	<b>N.M</b>
Profit attributable to owners of the parent, net of tax	2,904	489	494
Profit attributable to non-controlling interests, net of tax	63	136	(54)
<b>Profit, net of tax</b>	<b>2,967</b>	<b>625</b>	<b>375</b>
Total comprehensive income/(loss) attributable to owners of the parent	6,706	(357)	N.M
Total comprehensive income attributable to non-controlling interests	91	123	(26)
<b>Total comprehensive income/(loss)</b>	<b>6,797</b>	<b>(234)</b>	<b>N.M</b>

N.M – not meaningful

# BUSINESS AND FINANCIAL REVIEWS



## FY2016 UPDATES

### OPERATIONS

The Group has three 25-year BOT water supply projects in Bekasi Regency, Tangerang City and Makassar City, Indonesia. PT Moya Bekasi Jaya is currently in the 5th year of commercial operations with current installed capacity at 1,150 litres-per-second (“**lps**”), whilst PT Moya Tangerang is currently in the 2nd year of commercial operations with current installed capacity at 1,150 lps. PT Moya Makassar is poised to commence construction of its water treatment plant (“**WTP**”) in 2018. In November 2016, the Group, through PT Moya Indonesia, entered into a joint venture with Maynilad Water Services Incorporation and established a joint venture company named PT Water Tecnologia Indonesia, mainly focusing on pipe network design and installation, non-revenue water management and wastewater management.

### CAPITALISATION

In January 2016, the Company raised net proceeds of S\$50.1 million through a rights issue exercise.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

### CONTINUING OPERATIONS

The Group recorded revenue of S\$19.33 million in FY2016, representing an increase of 97% as compared to S\$9.82 million in

FY2015. The Group recorded gross profit of S\$2.33 million in FY2016, an increase of 75% from S\$1.33 million in FY2015. The Group incurred a net profit of S\$2.97 million in FY2016, an increase of 412% from S\$0.58 million in FY2015.

### REVENUE

The Group’s revenue increased by S\$9.51 million, from S\$9.82 million in FY2015 to S\$19.33 million in FY2016. The increase was mainly attributable to the higher percentage of completion for the build-operate-transfer (“**BOT**”) project in Bekasi and contribution of water sales from both the BOT projects in Bekasi and Tangerang.

### GROSS PROFIT

The Group’s gross profit increased by S\$1.00 million, from S\$1.33 million in FY2015 to S\$2.33 million in FY2016, attributable to water sales from both the BOT projects in Bekasi and Tangerang. Gross profit margin decreased from 13.50% in FY2015 to 12.03% in FY2016, mainly due to lower water sales margins of 40.53% in FY2016 as compared to 44.81% in FY2015.

## BUSINESS AND FINANCIAL REVIEW

### INTEREST INCOME AND OTHER GAINS

Interest income and other gains increased by S\$3.69 million, from S\$3.70 million in FY2015 to S\$7.39 million in FY2016, mainly due to the recognition of higher interest income on the financial assets arising from service concession arrangement, which is in line with the commencement of water sales from the BOT project in Tangerang since January 2016.

### ADMINISTRATIVE EXPENSES

Administrative expenses increased by S\$0.59 million, from S\$2.96 million in FY2015 to S\$3.55 million in FY2016. The increase was mainly due to higher salary costs and office expenses for the Group's operations in Indonesia.

### FINANCE COST, OTHER EXPENSES, AND OTHER LOSSES

Finance cost, other expenses and other losses increased by S\$0.75 million, from S\$0.99 million in FY2015 to S\$1.74 million in FY2016. This was mainly due to a net foreign exchange loss of S\$0.35 million and a provision of S\$0.35 million for the financial asset in Bekasi, recorded in FY2016.

### INCOME TAX EXPENSE

Income tax expense increased by S\$0.97 million, from S\$0.49 million in FY2015 to S\$1.46 million in FY2016, due to higher deferred tax for financial income on the financial assets.

### EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATIONS, NET OF TAX

The Group experienced currency translation differences from the consolidation of its foreign operations. The Group recognized S\$3.78 million currency translation gain in FY2016 as the Indonesian Rupiah appreciated against the Singapore Dollar.

### TOTAL EQUITY

The Group's total equity increased by S\$56.93 million or 86.18%, from S\$66.06 million as at 31 December 2015 to S\$122.99 million as at 31 December 2016. The increase was mainly due to the rights issue exercise completed in January 2016, whereby the Company issued and allotted 1,533,545,733 new shares in the capital of the Company at an issue price of S\$0.033 per share ("Rights Issue").

### CURRENT ASSETS

The Group's current assets increased by S\$37.49 million or 118.79%, from S\$31.56 million as at 31 December 2015 to S\$69.05 million as at 31 December 2016. The increase was mainly due to the net proceeds of S\$50.13 million from the Rights Issue, as well as an increase in trade and other receivables of S\$2.44 million due to an increase of water sales.

### NON-CURRENT ASSETS

The Group's non-current assets increased by S\$21.99 million or 53.32%, from S\$41.24 million as at 31 December 2015 to S\$63.23 million as at 31 December 2016. This was mainly due to an increase in recognition of financial assets arising from service concession arrangements of S\$21.22 million in accordance with INT FRS 112 for the BOT projects in Bekasi and Tangerang.

### CURRENT LIABILITIES

The Group's current liabilities increased by S\$0.62 million or 38.51%, from S\$1.61 million as at 31 December 2015 to S\$2.23 million as at 31 December 2016, mainly due to an increase of trade and other payables related to the operation of BOT projects.

STATEMENT OF FINANCIAL POSITION	As at	As at
	31 December 2016 [S\$'000]	31 December 2015 [S\$'000]
Non-current assets	63,232	41,239
Current assets	69,046	31,561
<b>Total assets</b>	<b>132,278</b>	<b>72,800</b>
Total equity	122,987	66,058
Total non-current liabilities	7,066	5,128
Total current liabilities	2,225	1,614
<b>Total liabilities</b>	<b>9,291</b>	<b>6,742</b>
<b>Total equity and liabilities</b>	<b>132,278</b>	<b>72,800</b>

# BUSINESS AND FINANCIAL REVIEWS

## NON-CURRENT LIABILITIES

The Group's non-current liabilities increased by S\$1.94 million or 37.82%, from S\$5.13 million as at 31 December 2015 to S\$7.07 million as at 31 December 2016, mainly due to an increase in deferred tax liabilities, as well as other payables due to provisions for employee benefits.

## WORKING CAPITAL

The Group reported a positive working capital of S\$66.82 million as at 31 December 2016, as compared to S\$29.95 million as at 31 December 2015.



CONSOLIDATED CASH FLOW SUMMARY	FY 2016 (S\$'000)	FY 2015 (S\$'000)
Cash (used in) operating activities	(15,926)	(8,913)
Cash (used in)/generated from investing activities	(149)	274
Cash generated from financing activities	49,741	29,253
Net increase in cash and cash equivalents	33,666	20,614
Cash and cash equivalents at beginning of year	28,030	7,537
Net effects of exchange rate changes	1,375	(121)
Cash and cash equivalents at end of year	63,071	28,030

The Group had cash and cash equivalents of S\$63.07 million as at 31 December 2016.

Net cash flows used in operating activities in FY2016 was S\$15.93 million, due to operating cash outflows before changes in working capital of S\$15.07 million and cash outflows due to changes in working capital of S\$0.83 million. Changes in working capital were due to (i) recognition of financial assets arising from service concession arrangements of S\$1.22 million in accordance with INT FRS 112 for the BOT projects in Indonesia; and (ii) an increase in trade and other receivables of S\$2.49 million; partially offset by (iii) an increase in trade and other payables of S\$0.44 million.

Net cash flow used in investing activities in FY2016 was S\$0.15 million, due to purchase of plant and equipment of S\$0.96 million, partially offset by S\$0.81 million interest income received from time deposit placed with banks.

Net cash flow generated from financing activities for FY2016 of S\$49.74 million was mainly attributable to the net proceeds from the Right Issue.

# CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or the “**Directors**”) of Moya Holdings Asia Limited (the “**Company**” 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 practises with specific reference to the Code. The Board confirms that, for the financial year ended 31 December (“**FY**”) 2016, 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 Group’s strategies’ formulation.

# CORPORATE GOVERNANCE REPORT

## Matters Requiring Board's Approval

The Group has adopted a set of approving authority limits, setting out the level of authorisation 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.

As at the date of this report, the Board comprises the following Directors:

Low Chai Chong	(Chairman and Non-Executive Lead Independent Director)
Mohammad Syahril	(Chief Executive Officer)
Irwan A. Dinata	(Managing Director)
Simon A. Melhem	(Executive Director)
Ziyad F. Omar	(Non-Executive Non-Independent Director)
Hwang Kin Soon Ignatius	(Non-Executive Independent Director)

The profiles of the Directors are set out in the "Board of Directors" section of this Annual Report.

## 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. The ultimate responsibility and decision on all matters still lies with the Board.

## Attendance at Board and Board Committees Meetings

The Board conducts regular meetings, and 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 tele-conferencing or video conferencing attendance at Board meetings. The Board and Board Committees may also make decisions by way of circulating resolutions.

# CORPORATE GOVERNANCE REPORT

The attendance of each Director at the Board and Board Committees meetings held in FY2016 is tabulated below:

Board/Board Committees	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	3 <sup>(1)</sup>	3 <sup>(1)</sup>	1	1
<b>Directors</b>	<b>Attendance</b>			
Low Chai Chong	3	3	1	1
Mohammad Syahrial	3	–	–	–
Irwan A. Dinata	3	–	–	1
Simon A. Melhem	3	–	–	–
Ziyad F. Omar	3	3	1	–
Hwang Kin Soon Ignatius	3	3	1	1

**Note:**

(1) Approval for the Company's first quarter financial results for FY2016 was done via email circulation to each Director of the Board and the AC. This was followed by a Board Resolution to approve and release the Company's first quarter financial results for FY2016.

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.

## 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 organisation structure, its strategic direction and corporate governance practices as well as industry-specific knowledge. Familiarisation visits, including that of overseas plants and operations, are organised, if necessary, to facilitate a better understanding of the Group's operations.

The Company is responsible for arranging and funding the training of Directors. During FY2016, the Directors are provided with briefings and are kept updated on relevant 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.

## Principle 2: Board Composition and Guidance

*There should be a strong and independent element on the Board, which is able to exercise objective judgement 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

Currently, the Board comprises six (6) Directors, two (2) of whom are considered independent by the Board. There is a strong and independent element on the Board, with Non-Executive Independent Directors constituting one-third of the Board. The roles of the Chairman and the Chief Executive Officer ("CEO") are assumed by different persons.

<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.

# CORPORATE GOVERNANCE REPORT

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 judgement 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 Code’s definition of 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.

None of the Independent Director has been appointed as director to the Company’s principal subsidiaries.

The interests in shares and share options held by each Director in the Company are set out in the “Statement by Directors” 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 dominate 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 calibre, 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 working of 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 Company Secretary 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 organised 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, two (2) of whom, including the NC Chairman, are independent Directors. During FY2016, the NC comprises:

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

The terms of reference of the NC are as follows:

- Recommend the appointment and re-appointment of Directors;
- 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.

# CORPORATE GOVERNANCE REPORT

## 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. For FY2016, 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, 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 judgement in the best interests of the Company.

## Directors' Time Commitment

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a director of the Company. 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. Considering the current listed company directorships of the Directors and in conjunction with Guideline 4.4 of the Code, the Board has determined that the maximum number of directorships in listed companies which any Director may hold is six (6). All Directors have complied with this requirement.

## Rotation and Re-election of Directors

Under the Company's Constitution, all Directors (except the Managing Director) are required to submit for re-nomination and re-election at least once every three (3) years by rotation. 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 are also required to retire by rotation at the next AGM following their appointment. Each member of the NC shall abstain from voting on any resolution in respect of his re-election as Director. The retiring Directors are eligible to offer themselves for re-election.

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 respectively. 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.

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.

## 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.

# CORPORATE GOVERNANCE REPORT

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	Functions/Board Committees served	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	30 April 2015 (to be re-elected at the forthcoming AGM)	Chairman of the Board and the AC, and member of the RC and NC	<p><u>Other principal commitment</u></p> <p>Advocate and Solicitor at Dentons Rodyk &amp; Davidson LLP</p> <p><u>Present Directorships</u></p> <p>Pollux Properties Limited</p> <p><u>Past Directorships</u></p> <p>None</p>
Mohammad Syahrial	Executive	17 March 2015	29 March 2016	Nil	<p><u>Other principal commitment</u></p> <p>None</p> <p><u>Present Directorships</u></p> <p>None</p> <p><u>Past Directorships</u></p> <p>None</p>
Irwan A. Dinata	Executive	17 March 2015	29 March 2016	Member of the NC	<p><u>Other principal commitment</u></p> <p>None</p> <p><u>Present Directorships</u></p> <p>PT Magna Finance Tbk</p> <p><u>Past Directorships</u></p> <p>None</p>

# CORPORATE GOVERNANCE REPORT

Name of Director	Board appointment	Date of first appointment	Date of last re-election	Functions/Board Committees served	Directorships or chairmanships both present and held over the preceding 3 years in other listed companies and other principal commitments
Simon A. Melhem	Executive	6 March 2013	– (to be re-elected at forthcoming AGM)	Nil	<p><u>Other principal commitment</u></p> <p>None</p> <p><u>Present Directorships</u></p> <p>None</p> <p><u>Past Directorships</u></p> <p>None</p>
Ziyad F. Omar	Non-Executive and Non-Independent	6 March 2013	29 April 2016	Member of the AC and RC	<p><u>Other principal commitment</u></p> <p>Director and Chief Executive Officer at Gulf One Investment Bank B.S.C (c)</p> <p><u>Present Directorships</u></p> <p>None</p> <p><u>Past Directorships</u></p> <p>None</p>
Hwang Kin Soon Ignatius	Independent	9 January 2013	29 April 2016	Chairman of the NC and RC, and member of the AC	<p><u>Other principal commitment</u></p> <p>Managing Partner at Squire Patton Boggs LLP</p> <p><u>Present Directorships</u></p> <p>None</p> <p><u>Past Directorships</u></p> <p>China Environment Limited</p>

The Board does not have any alternate Directors.

# 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 “Statement by Directors” 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 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 FY2016, 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.

# CORPORATE GOVERNANCE REPORT

## Principle 6: Access to Information

*In order to fulfil 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, each members of the Board are provided with the relevant documents and information to enable them to obtain a comprehensive understanding of the issues to be deliberated upon 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 advice and services of the Company Secretary, who attends 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.

Appointment and the removal of the Company Secretary 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.*

### Remuneration Committee

The RC comprises three (3) members, two (2) of whom, including the RC Chairman, are Independent Directors. All of the RC members are Non-Executive Directors.

During FY2016, the RC comprises:

Hwang Kin Soon Ignatius	(Chairman)
Low Chai Chong	(Member)
Ziyad F. Omar	(Member)

# CORPORATE GOVERNANCE REPORT

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;
- Review 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 increases 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.

## 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 FY2016 (with payment to be made quarterly in arrears) at the last AGM held on 29 April 2016 and the actual directors’ fees paid for FY2016 were S\$145,000. Directors’ fees of S\$215,000 for the next financial year ending 31 December 2017 (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.

# CORPORATE GOVERNANCE REPORT

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 set out in Guideline 9 of this Corporate Governance Report, section 5 of the "Statement by Directors" as well as Note 20 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 FY2016 is as follows:

Name of Director	Fees	Base/Fixed Salary	Bonus	Other Benefits	Total
	%	%	%	%	%
<b>Below \$250,000</b>					
Low Chai Chong	100	0	0	0	100
Mohammad Syahril	0	100	0	0	100
Irwan A. Dinata	0	72	3	25	100
Simon A. Melhem	0	92	8	0	100
Zlyad F. Omar	100	0	0	0	100
Hwang Kin Soon Ignatius	100	0	0	0	100

# CORPORATE GOVERNANCE REPORT

A breakdown, showing the level and mix of the top five (5) key management personnel (who are not Directors or the CEO) for FY2016, is as follows:–

Name of Key Management Personnel	Fees	Base/Fixed Salary	Bonus	Other Benefits	Total
	%	%	%	%	%
<b>Below \$250,000</b>					
<b>Tri Herutantojo</b>	0	63	5	32	100
<b>Joedi Herijanto</b>	0	65	3	32	100
<b>Darmasen Anwar</b>	0	63	5	32	100
<b>Yuni Supriyanto</b>	0	65	4	31	100
<b>Cecilia Aryani</b>	0	69	4	27	100

No termination, retirement and post-employment benefits have been paid to the Directors, the CEO and the top five (5) key management (who are not Directors or the CEO) in FY2016.

For FY2016, none of the Directors and the top five (5) key management's (who are not Directors or the CEO) remuneration exceeded S\$250,000. For FY2016, the aggregate remuneration paid to the top 5 key management personnel (who are not Directors or the CEO) was approximately S\$947,900.

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.

Save as disclosed above, the Code recommends that the company should fully disclose the remuneration of each individual director and the CEO on a named basis.

The Board has, on review, is of the opinion that it is in the best interests of the Group not to disclose the actual remuneration of each individual Directors and 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 Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("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 "Statement by Directors" section in this Annual Report.

Please refer to section 5 of the "Statement by Directors" section and Note 20 to the Financial Statements of this Annual Report for more information on the ESOS.

# CORPORATE GOVERNANCE REPORT

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.*

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.

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 also signed a letter of undertaking pursuant to the amended 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.

# CORPORATE GOVERNANCE REPORT

## Internal Controls

The Company has established a risk and assurance framework since FY2011 to address financial, operational, compliance and information technology control risks. In the Group, risks are proactively identified and addressed, with the Board and the Management taking ownership of these risks. Action plans to manage the risks are continually being monitored and refined by the Board and the Management. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored by the Management.

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 referred to above and reviews performed by the Management, 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 2016. 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, summarise 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 recognises 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, two (2) of whom, including the AC Chairman are Independent Directors. All of the AC members are Non-Executive Directors.

During FY2016, the AC comprises:

Low Chai Chong	(Chairman)
Hwang Kin Soon Ignatius	(Member)
Ziyad F. Omar	(Member)

# 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 judgement 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.

RSM Chio Lim LLP has been appointed as the auditors of the Company and its Singapore-incorporated subsidiaries. RSM AAJ Associates, a member firm of RSM International, has been appointed as the auditors of the Company's significant Indonesia-incorporated subsidiaries. The Company has complied with Rules 712 and 715 of the Catalist Rules in the appointment of the external auditors for the Group in FY2016. Having reviewed and been satisfied that the external auditors, RSM Chio Lim LLP, is independent, the AC has recommended to the Board the re-appointment of RSM Chio Lim LLP as the external auditors of the Group for the current financial year ending 31 December 2017 at the forthcoming AGM.

# CORPORATE GOVERNANCE REPORT

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 aggregate amount of audit and non-audit fees paid to the external auditors in FY2016 were S\$155,000 and \$30,000 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.

No former partner or director of the Company's existing auditing firm is member of AC.

## 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 FY2016.

## Activities in FY2016

In FY2016, 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 and approved the annual audit plan of the external auditors;
- (e) reviewed and approved the internal audit plan of the internal auditors, having considered the scope of the internal audit procedures;
- (f) reviewed the results of the internal audit procedures and the assistance given by the Management to the internal auditor;
- (g) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for Board's approval;
- (h) met with the external auditors and internal auditors once without the presence of the Management; and
- (i) reviewed all the Group's foreign exchange exposure hedging transactions.

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

Audit of the Group

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

The AC considered the overall audit strategy and audit plan developed by the external auditors for the purpose of this audit.

The AC is satisfied with the appropriateness of the audit approach and audit procedures performed by the external auditors in order to express an opinion on the financial statements on a Group level.

Impairment allowance assessment of financial assets arising from the service concession agreements

The AC considered the approach and methodology applied to the impairment allowance assessment of the financial assets arising from the service concession agreement. It reviewed the reasonableness of the impairment allowance assessment which involves significant estimation uncertainty, subjective assumptions and the application of the significant judgement.

The AC reviewed the cash flow model as well as the key inputs and assumptions used. The AC noted that the methodology and model used by the Management is supported by generally accepted market practices, and concurred with the methodology used. The AC agreed that the impairment allowance provided for the financial assets at the end of reporting year is reasonable.

The financial assets arising from the service concession agreements were also an area of focus for the external auditors. The external auditors has included this item as a key audit matter in its audit report for the financial year ended 31 December 2016. Please refer to page 44 of this Annual Report.

Determining the fair value of the financial assets

The AC considered the approach and methodology applied to the determination of the fair value of the financial assets. In addition, the AC has reviewed the Management's assessment of the recoverability of the financial assets, which includes the cash flow projections over the duration of the financial assets, as well as the Management's assessment on the allocation of the consideration receivable for the services between the unwinding of the financial assets arising from the service concession arrangements and the operating income from the water sale. The AC concurred with the aforementioned assessment by the Management.

The determination of the fair value of the financial assets was also an area of focus for the external auditors. The external auditors has included this item as a key audit matter in its audit report for the financial year ended 31 December 2016. Please refer to page 44 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 AC Chairman and also report administratively to the CEO.

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

For FY2016, the Group did not appoint any independent audit firm. Instead, the Company's subsidiary, PT Moya Indonesia has commissioned its accounting department to conduct a review of the Group's internal control processes, risk management and compliance systems, and report such findings and recommendations to the Management. The internal audit function is adequately resourced with persons with the relevant qualifications and experience. The AC reviews the adequacy and effectiveness of the internal audit function annually.

# CORPORATE GOVERNANCE REPORT

PT Moya Indonesia conducted the internal review based on the following objectives:

- To review the effectiveness of the Group's system of internal controls to address key business and operational risks;
- To review compliance to the system of internal controls; and
- To assess whether 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.

The Company intends to appoint an independent audit firm to conduct a review of the Group's internal control processes, risk management and compliance systems for the current financial year ending 31 December 2017.

## 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.

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.

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

# CORPORATE GOVERNANCE REPORT

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. For FY2016, the Board does not recommend any payment of dividends as the Company is in the developmental phase for its BOT projects.

## 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.

# CORPORATE GOVERNANCE REPORT

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 Secretary prepares 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.

## 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 FY2016.

## 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.

# CORPORATE GOVERNANCE REPORT

## 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 FY2016 if not then subsisting, entered into since the end of FY2015.

## CATALIST SPONSOR

With effect from 8 December 2016, ZICO Capital Pte. Ltd. was appointed as the Company's continuing sponsor in place of SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.).

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees paid to SAC Advisors Private Limited and ZICO Capital Pte. Ltd. in FY2016.

## USE OF PROCEEDS

### (i) Placement exercise completed in April 2015

In April 2015, the Company completed a placement exercise of 367,539,686 new shares in the capital of the Company at an issue price of S\$0.08 per share (the "Placement"), raising net proceeds of approximately S\$29.25 million. A summary of the use of the net proceeds from the Placement is as follows:

Use of net proceeds	Allocation of net proceeds (as disclosed in the circular dated 20 March 2015) (S\$'million)	Net proceeds utilised as at 3 November 2016 (S\$'million)	Net proceeds utilised as at date of this Annual Report (S\$'million)	Balance of net proceeds as at the date of this Annual Report (S\$'million)
Capital expenditure requirements for the projects in Indonesia	26.40	12.43	21.12	5.28
General corporate and working capital requirements	2.85	1.13	1.69	1.16
<b>Total</b>	<b>29.25</b>	<b>13.56</b>	<b>22.81</b>	<b>6.44</b>

### (ii) 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. As at the date of this Annual Report, the Company has not utilised any of the Rights Issue proceeds.

# STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 December 2016.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

The directors of the company in office at the date of this statement are:

Low Chai Chong  
 Mohammad Syahrial  
 Irwan A. Dinata  
 Simon A. Melhem  
 Ziyad F. Omar  
 Hwang Kin Soon Ignatius

## 3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year
	<b>Number of shares of no par value</b>	
Simon A. Melhem	1,400,000	1,400,000
Ziyad F. Omar	16,400,000	16,800,000
	<b>Options to subscribe for ordinary shares of \$0.07 each</b>	
Simon A. Melhem	8,000,000	8,000,000

The directors' interests as at 21 January 2017 were the same as those at the end of the reporting year.

# STATEMENT BY DIRECTORS

## 4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable 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 except for the options rights and other rights mentioned below.

## 5. Options

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 and comprises three Directors, Hwang Kin Soon Ignatius, Low Chai Chong and Ziyad F. Omar 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 \$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.

# STATEMENT BY DIRECTORS

## 5. Options (Continued)

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

Exercise price outstanding	Grant date	Exercise period	Number of Shares at 31 December	
			2016 No: '000	2015 No: '000
5 cents	24 March 2009	From 24 March 2009 to 23 March 2019	2,400	3,400
7 cents	24 May 2010	From 24 May 2010 to 23 May 2020	8,000	8,000
			<b>10,400</b>	<b>11,400</b>

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

Participant	Grants in 2016	Grants from start of scheme to end of 2016	Exercised/lapsed from start of scheme to end of 2016	Balance at 31.12.2016
Director of the company				
Simon A. Melhem	–	8,000,000	–	8,000,000 <sup>#a</sup>

<sup>#a</sup> Exercise price of \$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.

## 6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

## 7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Low Chai Chong	(Independent and Non-Executive Director, Chairman of Audit Committee)
Hwang Kin Soon Ignatius	(Independent and Non-Executive Director)
Ziyad F. Omar	(Non-Executive Director)

# STATEMENT BY DIRECTORS

## 7. Report of audit committee (Continued)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the company.

## 8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2016.

## 9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 28 February 2017, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

.....  
**Low Chai Chong**  
Director

.....  
**Mohammad Syahril**  
Director

3 April 2017

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Moya Holdings Asia Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

### 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 are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 of the current reporting year. 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.

### Audit of the group

The group is mainly engaged in the investment and development of total water solutions. The group's focus is on Indonesia where it has three build, operate and transfer projects, under contract and development by its subsidiaries, PT Moya Behasi Jaya, PT Moya Tangerang and PT Moya Makassar respectively.

We established an overall group audit strategy and developed a group audit plan to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the group, the accounting processes and controls, and the industry in which the group operates.

In the relevant countries overseas, a component auditor is required by statute to express an audit opinion on the financial statements of a component (statutory entity). The consolidated financial statements are a consolidation of the financial statements of a number of statutory entities. As the group audit team, we determine whether sufficient appropriate audit evidence can reasonably be expected to be obtained in relation to the consolidation process and the financial information of the components on which to base the group audit opinion. We identified the significant components (based on a percentage to a chosen benchmark) which in our view required the group engagement team to be involved in the work of those component auditors to the extent necessary to obtain sufficient appropriate audit evidence. We also determined the nature, timing and extent of its involvement in the work of the component auditors.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

## Key audit matters (Continued)

### *Audit of the group (Continued)*

The audits of these significant components included additional procedures performed on the centralised functions and at the group level, including audit procedures over the consolidation, and selected balances and in reviewing the component auditor's documentation of identified significant risks of material misstatement.

### *Impairment allowance assessment of financial assets arising from the service concession arrangements*

Please refer to Note 2 on accounting policies; Note 2C on critical judgements, assumptions and estimation uncertainties; Note 15 on financial assets arising from the service concession arrangements and the annual report on the section on the audit committee's views and responses to the reported key audit matters.

The financial assets arising from the service concession arrangements make up 47% of the group's total assets. These assets are impaired when their individual carrying value exceeds their recoverable amount. Given the nature of this asset, the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement. The recoverable amount is sensitive to inputs and assumptions underlying the models used. Some of the key inputs and assumptions relate to expectation of future cash flows, growth rates used for extrapolation purposes and discount rates. We focussed on this area as the recoverability of the financial asset is assessed through cash flow models, which can be complex with a number of different inputs and judgement involved.

We evaluated the cash flows used in the model against the understanding we obtained about the business through our audit and assessed if these cash flows were reasonable. We considered the appropriateness of key assumptions used by the group in its impairment testing comprising the discount rate and growth rate by comparing these to externally available market data for reasonableness. We also assessed whether or not the assumptions showed any evidence of management bias with a particular focus on the risk that the forecasted cash flows may not support the carrying value of the financial assets. We considered the adequacy of the group's disclosure and the requirements of accounting standards in respect of impairment testing.

The methodology and model used by the group is supported by generally accepted market practices.

### *Determining the fair value of the financial assets*

Please refer to Note 2 on accounting policies; Note 2C on critical judgements, assumptions and estimation uncertainties; Note 15 on financial assets arising from the service concession arrangements and Note 5 on the interest income recognised and the annual report on the section on the audit committee's views and responses to the reported key audit matters.

Significant judgement is exercised in determining the fair values of the financial assets. The carrying value of the financial assets arising from service concession arrangements approximate the fair value at inception. The financial assets are accounted for at amortised cost under the effective interest rate method. Discount rates, estimates of future cash flows and other factors are used in the determination of the fair value of financial assets on initial recognition, as well as the amortised cost and corresponding financial income during the operation phase of the financial assets.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

## Key audit matters (Continued)

### *Determining the fair value of the financial assets (Continued)*

We obtained management's assessment of the recoverability of the financial assets, which includes cash flow projections over the duration of the financial assets. The measurement of the fair value is based on assumptions relating to future market water sales, decisions of the governmental bodies, interest rates and future changes in costs and price. Because these estimates relate to terms which vary from one reporting year to more than 25 reporting years, the estimation uncertainty relating to the fair value is significant. In particular, the determination of Level 3 prices is considerably more subjective given the lack of availability of market based data. We evaluated management's assessment on the allocation of the consideration receivable for the services between the unwinding of the financial assets arising from the service concession arrangements and the operating income from the water sale. We considered the key assumptions used by management in determining the gross profit margin from the water sale and also the interest rate used in deriving the financial income by comparing these to externally available market data for reasonableness.

## Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

## 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 FRSS, 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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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.
- (f) 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.

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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOYA HOLDINGS ASIA LIMITED

## 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 the subsidiary corporation 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 Derek How Beng Tiong.

**RSM Chio Lim LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

3 April 2017  
Engagement partner – effective from year ended 31 December 2014

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2016

	Notes	Group	
		2016 \$'000	2015 \$'000
<b>Revenue</b>	4	19,326	9,820
Cost of sales		(17,001)	(8,494)
<b>Gross profit</b>		2,325	1,326
Interest income	5	7,390	2,884
Other gains	6	–	811
Administrative expenses	7	(3,551)	(2,960)
Other losses	6	(794)	(58)
Finance costs	8	(455)	(663)
Other expenses		(490)	(272)
<b>Profit before tax from continuing operations</b>		4,425	1,068
Income tax expense	10	(1,458)	(488)
<b>Profit from continuing operations, net of tax</b>		2,967	580
Gain from discontinued operations, net of tax	11	–	45
<b>Profit net of tax</b>		2,967	625
<b>Other comprehensive income/(loss):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit pension plans, net of tax		52	–
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		3,778	(859)
<b>Other comprehensive income/(loss) for the year, net of tax:</b>		3,830	(859)
<b>Total comprehensive income/(loss)</b>		6,797	(234)
Profit attributable to owners of the parent, net of tax		2,904	489
Profit attributable to non-controlling interests, net of tax		63	136
<b>Profit net of tax</b>		2,967	625
Total comprehensive income/(loss) attributable to owners of the parent		6,706	(357)
Total comprehensive income attributable to non-controlling interests		91	123
<b>Total comprehensive income/(loss)</b>		6,797	(234)
<b>Earnings per share</b>			
Earnings per share currency unit		Cents	Cents
Basic and diluted – continuing operations	12	0.11	0.04
Basic and diluted – discontinued operations	12	–	–*
Total		0.11	0.04

\* Less than 0.01 cents.

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	13	1,176	399	3	–
Investments in subsidiaries	14	–	–	91,751	–*
Financial assets arising from service concession arrangements	15	62,056	40,840	–	–
<b>Total non-current assets</b>		<b>63,232</b>	<b>41,239</b>	<b>91,754</b>	<b>–*</b>
<b>Current assets</b>					
Inventories		1	1	–	–
Trade and other receivables, current	16	5,974	3,530	95	66,615
Cash and cash equivalents	17	63,071	28,030	24,337	553
<b>Total current assets</b>		<b>69,046</b>	<b>31,561</b>	<b>24,432</b>	<b>67,168</b>
<b>Total assets</b>		<b>132,278</b>	<b>72,800</b>	<b>116,186</b>	<b>67,168</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	18	120,595	70,463	120,595	70,463
Accumulated losses		(1,058)	(4,091)	(5,275)	(4,381)
Other reserves	19	3,013	(660)	591	668
<b>Equity, attributable to owners of the parent</b>		<b>122,550</b>	<b>65,712</b>	<b>115,911</b>	<b>66,750</b>
Non-controlling interests		437	346	–	–
<b>Total equity</b>		<b>122,987</b>	<b>66,058</b>	<b>115,911</b>	<b>66,750</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	10	2,243	822	–	–
Provisions, non-current	21	899	426	–	–
Other financial liabilities, non-current	22	3,924	3,880	–	–
<b>Total non-current liabilities</b>		<b>7,066</b>	<b>5,128</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>					
Trade and other payables, current	23	1,537	982	275	418
Other financial liabilities, current	22	688	632	–	–
<b>Total current liabilities</b>		<b>2,225</b>	<b>1,614</b>	<b>275</b>	<b>418</b>
<b>Total liabilities</b>		<b>9,291</b>	<b>6,742</b>	<b>275</b>	<b>418</b>
<b>Total equity and liabilities</b>		<b>132,278</b>	<b>72,800</b>	<b>116,186</b>	<b>67,168</b>

\* Less than \$1,000.

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

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

	Total equity \$'000	Attributable to parent subtotal \$'000	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000	Non- controlling interests \$'000
<b>Group:</b>						
<b>Current year:</b>						
Opening balance at 1 January 2016	66,058	65,712	70,463	(4,091)	(660)	346
<b>Movements in equity:</b>						
Total comprehensive income for the year	6,797	6,706	–	2,956	3,750	91
Forfeiture of share options (Note 19)	–	–	–	77	(77)	–
Issue of share capital (Note 18)	50,607	50,607	50,607	–	–	–
Share issue expenses (Note 18)	(475)	(475)	(475)	–	–	–
<b>Closing balance at 31 December 2016</b>	<b>122,987</b>	<b>122,550</b>	<b>120,595</b>	<b>(1,058)</b>	<b>3,013</b>	<b>437</b>
<b>Previous year:</b>						
Opening balance at 1 January 2015	37,039	36,816	41,210	(4,580)	186	223
<b>Movements in equity:</b>						
Total comprehensive loss for the year	(234)	(357)	–	489	(846)	123
Issue of share capital (Note 18)	29,403	29,403	29,403	–	–	–
Share issue expenses (Note 18)	(150)	(150)	(150)	–	–	–
<b>Closing balance at 31 December 2015</b>	<b>66,058</b>	<b>65,712</b>	<b>70,463</b>	<b>(4,091)</b>	<b>(660)</b>	<b>346</b>

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

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

	Total equity \$'000	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000
<b>Company:</b>				
<b>Current year:</b>				
Opening balance at 1 January 2016	66,750	70,463	(4,381)	668
<b>Movements in equity:</b>				
Total comprehensive loss for the year	(971)	–	(971)	–
Forfeiture of share options (Note 19)	–	–	77	(77)
Issue of share capital (Note 18)	50,607	50,607	–	–
Share issue expenses (Note 18)	(475)	(475)	–	–
<b>Closing balance at 31 December 2016</b>	<b>115,911</b>	<b>120,595</b>	<b>(5,275)</b>	<b>591</b>
<b>Previous year:</b>				
Opening balance at 1 January 2015	39,764	41,210	(1,446)	–
<b>Movements in equity:</b>				
Total comprehensive loss for the year	(2,935)	–	(2,935)	–
Issue of share capital (Note 18)	29,403	29,403	–	–
Share issue expenses (Note 18)	(150)	(150)	–	–
Share-based payments (Note 19)	668	–	–	668
<b>Closing balance at 31 December 2015</b>	<b>66,750</b>	<b>70,463</b>	<b>(4,381)</b>	<b>668</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	Group	
	2016 \$'000	2015 \$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	4,425	1,068
Adjustments for:		
Interest income	(7,390)	(2,884)
Interest expense	455	663
Depreciation of plant and equipment	178	136
Provisions, non-current	507	267
Financial assets arising from service concession arrangements	(13,591)	(7,088)
Impairment loss on financial assets arising from service concession arrangements	350	–
Cash flows from discontinued operating activities (Note 11)	–	671
Operating cash flows before changes in working capital	(15,066)	(7,167)
Financial assets arising from service concession arrangements	1,217	1,360
Inventories	–	16
Trade and other receivables, current	(2,486)	(828)
Trade and other payables, current	436	(2,270)
Net cash flow from operations	(15,899)	(8,889)
Income taxes paid	(27)	(24)
Net cash flows used in operating activities	(15,926)	(8,913)
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment (Note 17)	(956)	(378)
Disposal of plant and equipment	–	130
Interest received	807	522
Net cash flows (used in)/from investing activities	(149)	274
<b><u>Cash flows from financing activities</u></b>		
Issue of shares (net of expenses)	50,132	29,253
Interest paid	(455)	–
Proceeds from loan	4,576	–
Repayment of loan	(4,512)	–
Net cash flows from financing activities	49,741	29,253
<b>Net increase in cash and cash equivalents</b>	<b>33,666</b>	<b>20,614</b>
Cash and cash equivalents, statement of cash flows, beginning balance	28,030	7,537
Net effect of exchange rate changes	1,375	(121)
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 17)</b>	<b>63,071</b>	<b>28,030</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollar and they cover the company (referred to as “parent”) and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activity of the company is that of an investment holding company.

It is listed on the Catalist which is a shares market on Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are described in the Notes to the financial statements below.

The registered office is: 112 Robinson Road #05-01, Singapore 068902. The company is situated in Singapore.

### Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRS”) and the related Interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 1. General (Continued)

### Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

## 2. Significant accounting policies and other explanatory information

### 2A. Significant accounting policies

#### *Revenue recognition*

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Interest income or expense is recognised using the effective interest method. Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts (see below).

Revenue related to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the group's accounting policy on recognising revenue on construction contracts (see below). Operation or service revenue is recognised in the period in which the services are provided by the group. When the group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Construction contracts – revenues and results*

When the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting year using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs method except where this would not be representative of the stage of completion. Contract costs consist of costs that relate directly to the specific contract, costs that are attributable to contract activity in general and can be allocated to the contract and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed by the customer. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular contract. Recognised revenues and profits are subject to revisions during the contract in the event that the assumptions regarding the overall contract outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The work in progress contracts have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts realisable over a period in excess of one year.

When the outcome of a construction contract cannot be estimated reliably: (a) revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and (b) contract costs are recognised as an expense in the period in which they are incurred.

#### *Service concession arrangements*

INT FRS 112 Service concession agreements applies to public-to-private service concession arrangements if the infrastructure is constructed or acquired by the entity as part of the arrangement or is given for use by the grantors and:

- 1) the grantor controls or regulates what services the entity must provide with the infrastructure, to whom it must provide them, and what price; and
- 2) the grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

The entity recognises revenue from the construction and upgrading of the infrastructure in accordance with FRS 11 accounting policy for construction contracts. Where the entity performs more than one service under the arrangement, considerations received or receivable are allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. The entity recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. The infrastructure constructed in a service concession arrangement is not recognised as property, plant and equipment of the entity.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Employee benefits*

Certain subsidiaries of the group are required to provide for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees as required under existing manpower regulations in Indonesia. Short-term employee benefits are recognised at an undiscounted amount where employees have rendered their services to the group during the accounting periods. Post employment benefits are recognised at discounted amounts when the employees have rendered their services to the group during the accounting periods. Liabilities and expenses are measured using actuarial techniques which include constructive obligations that arise from the group's common practices. In calculating the liabilities, the benefits are discounted by using the projected unit credit method. Termination benefits are recognised when, and only when, the group is committed to either; (a) terminate the employment of an employee or group of employees before the normal retirement date; or (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. This plan is in addition to the contributions to government managed retirement benefit plans such as the Central Provident Fund in Singapore which specifies the employer's obligations which are dealt with as defined contribution retirement benefit plans. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### *Share-based compensation*

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

#### *Borrowing costs*

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Foreign currency transactions*

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

#### *Translation of financial statements of other entities*

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

#### *Income tax*

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Plant and equipment*

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and machinery	–	13%
Furniture, fittings and office equipment	–	25%
Motor vehicles	–	13%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an 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 repairs and maintenance are charged to profit or loss when they are incurred.

#### *Leases*

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Segment reporting*

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

#### *Subsidiaries*

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary 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 value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### *Business combinations*

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

#### *Non-controlling interests*

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Inventories*

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### *Impairment of non-financial assets*

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### *Financial assets*

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Financial assets (Continued)*

Initial recognition, measurement and derecognition: (Continued)

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the “substance over form” based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred 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. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Cash and cash equivalents*

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

#### *Financial liabilities*

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price.

The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2A. Significant accounting policies (Continued)

#### *Fair value measurement*

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

### 2B. Other explanatory information

#### **Provisions**

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Service concession arrangements:

The consideration receivable for the services provided under the service concession arrangements is allocated to the components by reference to their relative fair values. Revenue for construction services provided under the service concession arrangements and the corresponding financial receivables arising are recognised based on the stage of completion method during the construction phase.

The stage of completion method during the construction phase is measured by reference to the proportion that construction costs incurred to date bear to the estimated total construction costs. Significant judgement is required in determining the stage of completion, the extent to the construction costs incurred and estimated total construction costs.

Significant judgement is also exercised in determining the fair values of the financial receivables on initial recognition. Discount rates, estimates of future cash flows and other factors are used in the determination of the fair value of financial assets on initial recognition, as well as the amortised cost and corresponding financial income during the operation phase of the financial asset and for impairment allowance assessment. The residual consideration is recognised as operating income. The assumptions used and estimates may result in different fair value estimates. See Note 15.

Long-term construction contracts:

On long-term contracts, revenues are recorded on the stage of completion basis. The stage of completion is determined by dividing the cumulative costs incurred as at the balance sheet date by the sum of incurred costs and anticipated costs for completing a contract. The stage of completion is then applied to the contract value to determine the cumulative revenue earned. This method of revenue recognition requires management to prepare cost estimates to complete contracts in progress, and in making such estimates, judgments are required to evaluate contingencies such as potential variances in scheduling, cost of materials, labour costs and productivity, the impact of change orders or liability claims. All known or anticipated losses based on these estimates are provided for in their entirety without regard to the stage of completion. Estimated revenues on contracts include future revenues from claims when such additional revenues can be reliably established. These estimates are based on management's business practices as well as its historical experience, and management regularly reviews underlying estimates of project profitability.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 2. Significant accounting policies and other explanatory information (Continued)

### 2C. Critical judgements, assumptions and estimation uncertainties (Continued)

Income taxes:

The group has exposure to income taxes in mainly 2 jurisdictions, Indonesia and Singapore. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate determination is uncertain during the ordinary course of business. The administration and enforcement of tax laws and regulations may be subject to uncertainty and a certain degree of discretion by the Indonesian tax authorities. Although the group believes the amounts recognised for income and deferred taxes are adequate, these amounts may be insufficient based on the Indonesian tax authorities interpretation and application of these laws and regulations and the group may be required to pay more as a result. It is impracticable to determine the extent of the possible effects of the above, if any, on the consolidated financial statements of the group.

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the Note on income tax.

Actuarial assumptions on defined benefit retirement plans:

Accounting for defined benefit plans might be complex because actuarial assumptions are required to measure the obligation and the expenses, with the possibility that actual results differ from the assumed results. These differences are known as actuarial gains and losses. Defined benefit obligations are measured using the Projected Unit Credit Method. According to this method the Group has to make a reliable estimate of the amount of benefits earned in return for services rendered in current and prior periods, using actuarial techniques. In addition, in cases where defined benefit plans are funded the Group has to estimate the fair value of plan assets based on the expected return on plan assets which is computed using the estimated long-term rate of return. As a result, the use of the Projected Unit Credit Method involves a number of actuarial assumptions. These assumptions include demographic assumptions such as mortality, turnover and retirement age, and financial assumptions such as discount rates, salary and benefit levels. Such assumptions are subject to judgements and may develop materially differently than expected and therefore resulting in significant impacts on defined benefit obligations.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

### 3A. Members of a group:

Name	Relationship	Country of incorporation
PT. Tritunggal Intipermata	Ultimate parent company	Indonesia
Tamaris Infrastructure Pte. Ltd.	Parent company	Singapore

Related companies in these financial statements include the members of the above group of companies.

### 3B. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and financial guarantees if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

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

### 3C. Key management compensation:

	Group	
	2016 \$'000	2015 \$'000
Salaries and other short-term employee benefits	1,888	2,059
Post-employment benefits	329	182

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 3. Related party relationships and transactions (Continued)

### 3C. Key management compensation: (Continued)

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2016 \$'000	2015 \$'000
Remuneration of directors of the company	494	914
Fees to directors of the company	145	181

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

### 3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company Subsidiaries	
	2016 \$'000	2015 \$'000
<u>Other receivables/(other payables):</u>		
Balance at beginning of the year – net debit/(credit)	66,387	(1,288)
Amounts paid out and settlement of liabilities on behalf of another party	364	31,371
Amounts paid in and settlement of liabilities on behalf of the company	–	(35)
Other adjustments	25,000	36,339
Reclassified as quasi-equity	(91,751)	–
Balance at end of the year – net debit	–	66,387
Presented in the statement of financial position as follows:		
Other receivables (Note 16)	–	66,422
Other payables (Note 23)	–	(35)
Balance at end of the year – net debit	–	66,387

# NOTES TO THE FINANCIAL STATEMENTS

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## 4. Revenue

	Group	
	2016 \$'000	2015 \$'000
Sale of water	5,735	2,732
Service concession construction revenue	13,591	7,088
	<u>19,326</u>	<u>9,820</u>

## 5. Interest income

	Group	
	2016 \$'000	2015 \$'000
Interest income from financial assets arising from service concession arrangements (Note 15)	6,583	2,362
Other interest income	807	522
	<u>7,390</u>	<u>2,884</u>

## 6. Other (losses) and other gains

	Group	
	2016 \$'000	2015 \$'000
Foreign exchange adjustments (losses)/gains	(353)	811
Impairment allowance on financial assets – (loss)	(350)	–
Other losses	(91)	(58)
	<u>(794)</u>	<u>753</u>
Presented in profit or loss as:		
Other gains	–	811
Other losses	(794)	(58)
Net	<u>(794)</u>	<u>753</u>

## 7. Administrative expenses

The major components and other selected components include the following:

	Group	
	2016 \$'000	2015 \$'000
Employee benefits expense	2,269	1,829

# NOTES TO THE FINANCIAL STATEMENTS

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## 8. Finance costs

	Group	
	2016 \$'000	2015 \$'000
Interest expense	455	663

## 9. Employee benefits expense

	Group	
	2016 \$'000	2015 \$'000
Short term employee benefits expense	4,263	3,177
Contributions to defined contribution plans	228	137
Post-employment benefits (Note 21)	507	267
	<b>4,998</b>	<b>3,581</b>
Presented in profit or loss as:		
Cost of sales	2,729	1,752
Administrative expenses	2,269	1,829
	<b>4,998</b>	<b>3,581</b>

## 10. Income tax

### 10A. Components of tax expense recognised in profit or loss include:

	Group	
	2016 \$'000	2015 \$'000
<u>Current tax expense:</u>		
Current tax expense	37	334
Subtotal	37	334
<u>Deferred tax expense:</u>		
Deferred tax expense	1,421	154
Subtotal	1,421	154
Total income tax expense	<b>1,458</b>	<b>488</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 10. Income tax (Continued)

### 10A. Components of tax expense recognised in profit or loss include: (Continued)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2016 \$'000	2015 \$'000
Profit before tax	4,425	1,068
Income tax expense at the above rate	752	182
Expenses not deductible for tax purposes	172	311
Income not subject to tax	(206)	(392)
Stepped income exemption	–	(23)
Unrecognised deferred tax assets	–	38
Effect of different tax rates in different countries	433	194
Others minor items	307	178
Total income tax expense	1,458	488

There are no income tax consequences of dividends to owners of the company.

### 10B. Deferred tax expense recognised in profit or loss includes:

	2016 \$'000	2015 \$'000
Excess of tax over book depreciation on plant and equipment	(6)	(4)
Tax losses carryforwards	–	(38)
Unrecognised deferred tax assets	–	38
Provisions	(114)	21
Foreign exchange adjustments	96	(10)
Profits recognised on service concession construction revenue	(32)	93
Financial asset interest income	1,477	54
Total deferred tax expense recognised in profit or loss	1,421	154

# NOTES TO THE FINANCIAL STATEMENTS

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## 10. Income tax (Continued)

### 10C. Deferred tax balance in the statement of financial position:

	2016 \$'000	2015 \$'000
From deferred tax assets (liabilities) recognised in profit or loss:		
Excess of tax values over net book value of plant and equipment	30	24
Tax losses carryforwards	–	466
Unrecognised deferred tax assets	–	(466)
Provisions	216	102
Foreign exchange adjustments	(89)	7
Profits recognised on service concession construction revenue	(772)	(804)
Financial asset interest income	(1,628)	(151)
Net balance	<u>(2,243)</u>	<u>(822)</u>

It is impracticable to estimate the amount expected to be settled or used within one year.

The above deferred tax assets for the tax losses that have not been recognised are in respect of the remaining balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

Included in unrecognised tax losses are losses that will expire as follows:

Unrecognised deferred tax assets: Expiring in year	Tax losses		Unrecognised deferred tax assets	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
2018	–	4	–	1
2019	–	80	–	20
2020	–	1,668	–	417
2021	–	112	–	28
	<u>–</u>	<u>1,864</u>	<u>–</u>	<u>466</u>

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined. For the Indonesia company, the company has participated in the tax amnesty in 2016. With the tax amnesty process, the Indonesia company is not entitled to utilise tax losses from the prior years.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

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## 11. Gains from discontinued operations, net of tax

On 11 February 2015 the management decided to sell Moya Asia Pte. Ltd, the group's subsidiary dealing with the Engineering, Procurement and Construction. On 24 February 2015 the sale was completed. On this date the group lost control of Moya Asia Pte. Ltd.

The results for the reporting year from the discontinued operations and the results for the previous reporting year and for the period from the beginning of the reporting year to 24 February 2015, which have been included in the consolidated financial statements, were as follows:

	Group Period ended 24/02/2015 \$'000
Gain on disposal of subsidiary	45
Total gain on discontinued operations	<u>45</u>

The gain arose on the disposal of Moya Asia Pte. Ltd, being the consideration receivable on disposal less the carrying amount of the subsidiary's net assets and attributable to goodwill. No tax charge or credit arose from the transaction.

Moya Asia Pte. Ltd has no assets or liabilities as at the date of disposal.

The cash flows of Moya Asia Pte. Ltd for the period from the beginning of the previous reporting year to 24 February 2015, which have been included in the consolidated financial statements, were as follows:

	Group Period ended 24/02/2015 \$'000
Operating cash flows	671
Total cash flows	<u>671</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2016 \$'000	2015 \$'000
A. Numerators: Earnings attributable to equity:		
Continuing operations: attributable to equity holders	2,904	444
Discontinued operations: gain for the year	–	45
B. Total basic earnings	<u>2,904</u>	<u>489</u>
C. Diluted earnings	<u>2,904</u>	<u>489</u>
D. Denominators: weighted average number of equity shares	No: '000	No: '000
Basic	2,696,174	1,216,338
Dilutive share options effect	–	3,400
E. Diluted	<u>2,696,174</u>	<u>1,219,738</u>

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

The dilutive effect derives from share options (Note 20). The diluted amount per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

The weighted average number of ordinary shares outstanding during the period and for all periods presented are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. The disclosures for last year have been revised accordingly.

# NOTES TO THE FINANCIAL STATEMENTS

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## 13. Plant and equipment

	Plant and machinery \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
<u>Cost:</u>				
At beginning of year 1 January 2015	49	597	67	713
Foreign exchange adjustments	(1)	(16)	(4)	(21)
Additions	23	181	174	378
Disposals	–	(284)	–	(284)
At end of year 31 December 2015	71	478	237	786
Foreign exchange adjustments	4	8	11	23
Additions	332	349	275	956
At end of year 31 December 2016	407	835	523	1,765
<u>Accumulated depreciation:</u>				
At beginning of year 1 January 2015	10	338	67	415
Foreign exchange adjustments	(2)	(4)	(4)	(10)
Depreciation for the year	16	110	10	136
Disposals	–	(154)	–	(154)
At end of year 31 December 2015	24	290	73	387
Foreign exchange adjustments	2	17	5	24
Depreciation for the year	26	117	35	178
At end of year 31 December 2016	52	424	113	589
<u>Carrying value:</u>				
At 1 January 2015	39	259	–	298
At 31 December 2015	47	188	164	399
At 31 December 2016	355	411	410	1,176

# NOTES TO THE FINANCIAL STATEMENTS

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## 13. Plant and equipment (Continued)

	Furniture, fittings and office equipment \$'000	Total \$'000
<b>Company</b>		
<u>Cost:</u>		
At beginning of year 1 January 2015 and end of year 31 December 2015	–	–
Additions	9	9
At end of year 31 December 2016	<u>9</u>	<u>9</u>
<u>Accumulated depreciation:</u>		
At beginning of year 1 January 2015 and end of year 31 December 2015	–	–
Depreciation for the year	6	6
At end of year 31 December 2016	<u>6</u>	<u>6</u>
<u>Carrying value:</u>		
At 1 January 2015	<u>–</u>	<u>–</u>
At 31 December 2015	<u>–</u>	<u>–</u>
At 31 December 2016	<u>3</u>	<u>3</u>

The depreciation expenses are charged under administrative expenses.

Certain items are under finance lease agreements (see Note 22).

## 14. Investments in subsidiaries

	Company	
	2016 \$'000	2015 \$'000
Movements during the year. At cost:		
Balance at beginning of the year	–*	41,210
Disposal	–	(41,210)
Quasi-equity loan as part of net investment in subsidiary	<u>91,751</u>	<u>–*</u>
Cost at the end of the year	<u>91,751</u>	<u>–*</u>
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	–*	–*
Quasi-equity loan	<u>91,751</u>	<u>–*</u>
Total at cost	<u>91,751</u>	<u>–*</u>

\* Less than \$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. Investments in subsidiaries (Continued)

The listing of and information of the subsidiaries are given below.

#A. The following subsidiaries are wholly owned by the group:

Name of subsidiaries, country of incorporation, Place of operations and principal activities (and independent auditor)	Cost in books of the group	
	2016 \$'000	2015 \$'000
<u>Held by the company</u>		
Moya Asia Pte. Ltd. <sup>#c</sup>	–	–
Singapore		
Provision of mechanical and electrical engineering services (RSM Chio Lim LLP)		
Moya Indonesia Holdings Pte Ltd <sup>#a</sup>	91,751	–
Singapore		
Investment holding (RSM Chio Lim LLP)		

#B. The subsidiaries that have non-controlling interests are listed below:

Name of subsidiaries, country of incorporation, Place of operations and principal activities (and independent auditor)	Effective percentage of equity held by group	
	2016 %	2015 %
<u>Held through Moya Indonesia Holdings Pte Ltd</u>		
PT Moya Indonesia <sup>#b</sup>	99.99	99.99
Indonesia		
Investment holding (Kantor Akuntan Publik Amir Abadi Jusuf, Aryanto, Mawar dan Rehan (Member of RSM network))		

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. Investments in subsidiaries (Continued)

Name of subsidiaries, country of incorporation, Place of operations and principal activities (and independent auditor)	Effective percentage of equity held by group	
	2016 %	2015 %
<u>Held through PT Moya Indonesia</u> PT Moya Tangerang <sup>#b</sup> Indonesia Water treatment (Kantor Akuntan Publik Amir Abadi Jusuf, Aryanto, Mawar dan Rekan (Member of RSM network))	95.00	95.00
PT Moya Makassar <sup>#b</sup> Indonesia Water treatment (Kantor Akuntan Publik Amir Abadi Jusuf, Aryanto, Mawar dan Rekan (Member of RSM network))	95.00	95.00
PT Moya Bekasi Jaya <sup>#b</sup> Indonesia Water treatment (Kantor Akuntan Publik Amir Abadi Jusuf, Aryanto, Mawar dan Rekan (Member of RSM network))	95.00	95.00

# a. Cost of investment is less than \$1,000 in 2015.

# b. Audited by member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

# c. The subsidiary was disposed on 24 February 2015.

## 15. Financial assets arising from service concession arrangements

	Group	
	2016 \$'000	2015 \$'000
<u>Non-current</u>		
Financial assets arising from service concession arrangements	62,056	40,840
Financial assets arising from service concession arrangements are stated after allowance.		
Movements in allowance:		
Balance at beginning of the year	—	—
Charge to profit or loss included in other losses	350	—
Balance at end of the year	350	—
Movements during the year:		
Balance at beginning of the year	40,840	34,033
Additions	13,591	7,088
Settled	(1,217)	(1,304)
Accretion of interest	6,583	2,362
Impairment loss included in profit or loss under other losses	(350)	—
Foreign exchange adjustments	2,609	(1,339)
Balance at the end of the year	62,056	40,840

# NOTES TO THE FINANCIAL STATEMENTS

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

On 18 August 2011 and 20 February 2012, the group entered into 2 service concession agreements (“agreements”) with Indonesian municipal authority (“the grantor”) to undertake the design, build, upgrade, 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 sale of the 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 does not expect any major repairs to be necessary 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 receivables 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. 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.

The carrying value of the financial assets arising from service concession arrangements approximate the fair value at inception. The financial assets are accounted at amortised cost under the effective interest rate method. For disclosure purposes, at the end of the reporting year, the fair value of the service concession receivables was estimated by discounting the future cash flows receivable on the due and payable amounts using the interest rate of approximately 16% (2015: 16%). The service concession receivables are deemed to be due and payable upon the completion of the construction and commencement of the operations of the water treatment plant. The fair value is measured at Level 3. Increase in the estimated interest rate applied to the discounted cash flows would have an adverse effect (and vice versa) to the service concession receivables. The fair value approximates the book value.

## 16. Trade and other receivables, current

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Trade receivables:</u>				
Outside parties	1,787	1,965	–	–
Net trade receivables – subtotal	1,787	1,965	–	–
<u>Other receivables:</u>				
Subsidiary (Note 3)	–	–	–	66,422
Advance payments on purchases	3,639	962	6	40
Advances to staff	59	156	–	–
Prepayments	228	130	15	74
Other receivables	261	317	74	79
Net other receivables – subtotal	4,187	1,565	95	66,615
Total trade and other receivables	5,974	3,530	95	66,615

The other receivables from subsidiary was reclassified as quasi-equity loan during the year. See notes 3 and 14.

# NOTES TO THE FINANCIAL STATEMENTS

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## 17. Cash and cash equivalents

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not restricted in use	<u>63,071</u>	<u>28,030</u>	<u>24,337</u>	<u>553</u>

The rates of interest for the cash on interest earning balances ranged between 0.8% and 8.8% (2015: 0.8% and 8.8%).

### 17A. Cash and cash equivalents in statement of cash flows:

	Group	
	2016 \$'000	2015 \$'000
As shown above	<u>63,071</u>	<u>28,030</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>63,071</u>	<u>28,030</u>

The rates of interest for the cash on interest earning balances ranged between 0.8% and 8.8% (2015: 0.8% and 8.8%).

### 17B. Non-cash transactions:

There are no reconciliation amounts for the non-cash changes in liabilities arising from financing activities.

## 18. Share capital

	Group and company	
	Number of shares issued	Share capital \$'000
Ordinary shares of no par value:		
Balance at beginning of the year 1 January 2015	899,838,543	41,210
Issue of shares at \$0.08 each	367,539,686	29,403
Share issue expense	–	(150)
Balance at end of the year 31 December 2015	<u>1,267,378,229</u>	<u>70,463</u>
Issue of shares at \$0.03 each	1,533,545,733	50,607
Share issue expenses	–	(475)
Balance at end of the year 31 December 2016	<u>2,800,923,962</u>	<u>120,595</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

During the reporting year, 1,533,545,733 ordinary shares of no par value were issued for cash at \$0.03 each.

# NOTES TO THE FINANCIAL STATEMENTS

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## 18. Share capital (Continued)

### Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	2016 \$'000	2015 \$'000
Net debt:		
All current and non-current borrowings including finance leases	4,612	4,512
Less cash and cash equivalents	<u>(63,071)</u>	<u>(28,030)</u>
Net debt	<u>(58,459)</u>	<u>(23,518)</u>
Adjusted capital:		
Total equity	<u>122,987</u>	66,058
Adjusted capital	<u>122,987</u>	<u>66,058</u>

There are borrowings but the company is in a net cash position.

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. Other reserves

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Foreign currency translation reserve (Note 19A)	(3,404)	(7,154)	–	–
Share option reserve (Note 19B)	591	668	591	668
Capital reserve (Note 19C)	5,826	5,826	–	–
Total at the end of the year	<u>3,013</u>	<u>(660)</u>	<u>591</u>	<u>668</u>

### 19A. Foreign currency translation reserve

	Group	
	2016 \$'000	2015 \$'000
At beginning of the year	(7,154)	(6,308)
Exchange differences on translating foreign operations	<u>3,750</u>	<u>(846)</u>
At end of the year	<u>(3,404)</u>	<u>(7,154)</u>

### 19B. Share option reserve

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At beginning of the year	668	668	668	–
Transferred from subsidiary	–	–	–	668
Forfeiture of share options	<u>(77)</u>	<u>–</u>	<u>(77)</u>	<u>–</u>
At end of the year	<u>591</u>	<u>668</u>	<u>591</u>	<u>668</u>

### 19C. Capital reserve

	Group	
	2016 \$'000	2015 \$'000
At beginning of the year and end of the year	<u>5,826</u>	<u>5,826</u>

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

The currency translation reserve accumulates all foreign exchange differences.

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 and the Scheme and the issued share capital of MAL. Such merger reserve is a non-distributable reserve due to its capital nature.

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. Share-based payments

### 20A. 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, Low Chai Chong and Ziyad F. Omar 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 \$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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. Share-based payments (Continued)

### 20B. Activities under the share options scheme:

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

Exercise price outstanding	Grant date	Exercise period	Number of Shares at 31 December	
			2016	2015
			No: '000	No: '000
5 cents	24 March 2009	From 24 March 2009 to 23 March 2019	2,400	3,400
7 cents	24 May 2010	From 24 May 2010 to 23 May 2020	8,000	8,000
			<b>10,400</b>	<b>11,400</b>

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.

	Weighted average exercise price			
	2016	2015	2016	2015
	No: '000	No: '000	cents	cents
Balance at beginning of the year	11,400	11,400	6.4	6.4
Forfeited	(1,000)	–	5.0	–
Balance at end of the year	<b>10,400</b>	<b>11,400</b>	<b>6.5</b>	<b>6.4</b>

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:

Participant	Grants in 2016	Grants from start of scheme to end of 2016	Exercised/lapsed from start of scheme to end of 2016	Balance at 31.12.2016
Director of the company				
Mr Simon A. Melhem	–	8,000,000	–	8,000,000 <sup>#a</sup>

# a. Exercise price of \$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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. Share-based payments (Continued)

### 20C. Accounting for the share options:

The company has an employee share option scheme (the "MHAL ESOS") more fully disclosed in Note 20A above.

Activities under the MHAL ESOS are summarised in Note 20B above.

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

Exercise price	Number outstanding No: '000	Number exercisable No: '000	Weighted average remaining life (Years)
5 cents	2,400	2,400	2.22
7 cents	8,000	8,000	3.39
	<u>10,400</u>	<u>10,400</u>	<u>3.12</u>

### Share option reserve:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At beginning of the year	668	668	668	–
Transferred from subsidiary	–	–	–	668
Forfeiture of share options – transferred to retained earnings	(77)	–	(77)	–
At end of the year – included in share option reserve (Note 19B)	<u>591</u>	<u>668</u>	<u>591</u>	<u>668</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 21. Provisions, non-current

### Estimated liability for employee benefits

Besides the benefits provided under the defined contribution retirement plans, the group has recorded additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to the qualified employees, as required under existing manpower regulations in Indonesia. The additional provisions were determined based on actuarial computations prepared by an independent firm of actuaries, PT Jasa Aktuarial PraptaSentosa GunaJasa, using the "Projected Unit Credit" method which is covered in their report dated 18 January 2017. The number of permanent employees who is entitled to the employee benefits as of 31 December 2016 is 156 employees.

	Group	
	2016	2015
	\$'000	\$'000
Other payables:		
Present value of employee benefits obligation in addition to the defined contribution scheme	<u>899</u>	<u>426</u>

Changes in the present value of the defined benefits obligation are as follows:

	2016	2015
	\$'000	\$'000
Benefits obligation at beginning of the year	426	495
Current service costs	507	267
Others	(70)	(317)
Foreign exchange adjustments	36	(19)
Benefits obligation at end of the year	<u>899</u>	<u>426</u>

The following table summarises the component of net employee benefits expense recognised in the profit or loss:

	2016	2015
	\$'000	\$'000
Current service costs	415	229
Interest costs on benefits obligation	37	38
Past service cost and loss arising from settlement	55	-
Net employee benefits expenses (Note 9)	<u>507</u>	<u>267</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 21. Provisions, non-current (Continued)

### Estimated liability for employee benefits (Continued)

The principal assumptions used in determining post-employment obligations for the plan are as follows:

Annual discount rate	:	8.35% (2015: 9.0%)
Future annual salary increase	:	7.50% (2015: 10.0%)
Annual employee turnover rate	:	5.00% employees up to 29 years old and decreasing linearly to 0% at age 55 years old and thereafter
Disability rate	:	1.00% per annum from mortality rate
Retirement age	:	62
Mortality rate	:	Indonesia TMI 2011

## 22. Other financial liabilities

	Group	
	2016 \$'000	2015 \$'000
<u>Other financial liabilities, non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) (Note 22A)	3,756	3,805
<u>Financial instruments with fixed interest rates:</u>		
Finance leases (Note 22B)	168	75
Total non-current portion	<u>3,924</u>	<u>3,880</u>
<u>Other financial liabilities, current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) (Note 22A)	616	595
<u>Financial instruments with fixed interest rates:</u>		
Finance leases (Note 22B)	72	37
Total current portion	<u>688</u>	<u>632</u>
Total non-current and current	<u>4,612</u>	<u>4,512</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 22. Other financial liabilities (Continued)

	2016 \$'000	2015 \$'000
The non-current portion is repayable as follows:		
Due within 2 to 5 years	3,125	2,375
After 5 years	799	1,505
Total non-current portion	<u>3,924</u>	<u>3,880</u>

The range of floating rate interest rates paid were as follows:

	2016	2015
Bank loan (secured)	<u>8.8% to 10.5%</u>	<u>12.1% to 13.4%</u>
The range of fixed rate interest rates paid were as follows:		
Finance leases	<u>4.3% to 4.7%</u>	<u>4.7%</u>

The floating rate debt instruments are with interest rates that are re-set regularly at three month intervals.

### 22A. Bank loan

The bank loan agreement for the bank loan provide among other matters for the following:

1. The bank loan is repayable by equal quarterly instalments over 69 months from June 2016.
2. Corporate guarantee from the company.
3. Need to comply with certain financial covenants.

### 22B. Finance lease

2016	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
Minimum lease payments payable:			
Due within one year	87	(15)	72
Due within 2 to 5 years	177	(9)	168
Total	<u>264</u>	<u>(24)</u>	<u>240</u>
Net book value of plant and equipment under finance leases			<u>410</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 22. Other financial liabilities (Continued)

### 22B. Finance lease (Continued)

2015	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
Minimum lease payments payable:			
Due within one year	46	(9)	37
Due within 2 to 5 years	81	(6)	75
Total	<u>127</u>	<u>(15)</u>	<u>112</u>
Net book value of plant and equipment under finance leases			<u>164</u>

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	2016	2015
Average lease term, in years	<u>3</u>	<u>3</u>
Average effective borrowing rate per year	<u>4.5%</u>	<u>4.7%</u>

## 23. Trade and other payables, current

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Trade payables:</u>				
Outside parties	116	46	–	–
Trade payables – subtotal	<u>116</u>	<u>46</u>	<u>–</u>	<u>–</u>
<u>Other payables:</u>				
Subsidiary (Note 3)	–	–	–	35
Accrued liabilities	969	586	198	293
Other payables	452	350	77	90
Other payables – subtotal	<u>1,421</u>	<u>936</u>	<u>275</u>	<u>418</u>
Total trade and other payables	<u>1,537</u>	<u>982</u>	<u>275</u>	<u>418</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 24. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the Notes to the financial statements, this item includes the following expenses:

	Group	
	2016 \$'000	2015 \$'000
Audit fees to the independent auditor of the company	155	112
Audit fees to the other independent auditors	30	28

## 25. Commitments

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

	Group	
	2016 \$'000	2015 \$'000
Commitments in respect of contracts placed for service concession arrangements	12,437	3,326

## 26. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are not significant.

	Group	
	2016 \$'000	2015 \$'000
Rental expense for the year	249	145

## 27. Financial instruments: information on financial risks

### 27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Financial assets:</u>				
Cash and cash equivalents	63,071	28,030	24,337	553
Loans and receivables	64,104	43,122	74	66,501
At end of the year	127,175	71,152	24,411	67,054

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27A. Categories of financial assets and liabilities (Continued)

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Financial liabilities:</u>				
Trade and other payables measured at amortised cost	1,537	982	275	418
Other financial liabilities measured at amortised cost	4,612	4,512	–	–
At end of the year	<u>6,149</u>	<u>5,494</u>	<u>275</u>	<u>418</u>

Further quantitative disclosures are included throughout these financial statements.

### 27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of 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.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 27C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is significant concentration of credit risk on receivables, as the exposure is spread over a small number of counter-parties and debtors.

Note 17 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2015: 30 days). But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of the reporting year but not impaired:

	Group	
	2016 \$'000	2015 \$'000
Trade receivables:		
1 to 30 days	409	386
31 to 60 days	397	382
61 to 90 days	–	359
Over 120 days	246	433
Total	<u>1,052</u>	<u>1,560</u>

The company has no trade receivables.

As at the end of the reporting year there were no amounts that were impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of receivable customers as at the end of reporting year:

	Group	
	2016 \$'000	2015 \$'000
Indonesian municipal authorities	<u>63,843</u>	<u>42,805</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year \$'000	1 – 3 years \$'000	3 – 5 years \$'000	Over 5 years \$'000	Total \$'000
<u>Group</u>					
Non-derivative financial liabilities:					
<u>2016:</u>					
Gross borrowings commitments	624	1,248	1,739	803	4,414
Gross finance lease obligations	87	177	–	–	264
Trade and other payables	1,537	–	–	–	1,537
At end of the year	<u>2,248</u>	<u>1,425</u>	<u>1,739</u>	<u>803</u>	<u>6,215</u>
<u>2015:</u>					
Gross borrowings commitments	644	1,241	1,247	1,628	4,760
Gross finance lease obligations	46	81	–	–	127
Trade and other payables	982	–	–	–	982
At end of the year	<u>1,672</u>	<u>1,322</u>	<u>1,247</u>	<u>1,628</u>	<u>5,869</u>

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year \$'000	Total \$'000
<u>Company</u>		
Non-derivative financial liabilities:		
<u>2016:</u>		
Trade and other payables	275	275
At end of the year	<u>275</u>	<u>275</u>
<u>2015:</u>		
Trade and other payables	418	418
At end of the year	<u>418</u>	<u>418</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27E. Liquidity risk – financial liabilities maturity analysis (Continued)

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2015: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year \$'000	1 – 3 years \$'000	3 – 5 years \$'000	Over 5 years \$'000	Total \$'000
<u>Company</u>					
<u>2016:</u>					
Financial guarantee contracts – bank guarantee in favour of a subsidiary (Note 3)	616	1,234	1,723	799	4,372
<u>2015:</u>					
Financial guarantee contracts – bank guarantee in favour of a subsidiary (Note 3)	595	1,147	1,153	1,505	4,400

#### Bank facilities:

	Group	
	2016 \$'000	2015 \$'000
Undrawn borrowing facilities	13,161	–

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2016 \$'000	2015 \$'000
Financial liabilities with interest:		
Fixed rates	240	112
Floating rates	4,372	4,400
Total at end of the year	<u>4,612</u>	<u>4,512</u>
Financial assets with interest:		
Fixed rates	27,513	26,472
Total at end of the year	<u>27,513</u>	<u>26,472</u>

The financial assets arising from service concession arrangements (Note 15) is not subjected to interest rate risk. These assets are carried at amortised costs using the effective interest method.

The company is not exposed to interest rate risk.

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

### 27G. Foreign currency risks

Analysis of amounts denominated in non-functional currency:

	Group US dollar \$'000
2016	
Financial assets:	
Cash	<u>26,585</u>
Total financial assets	<u>26,585</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27G. Foreign currency risks (Continued)

	<b>Group US dollar \$'000</b>
<u>2015</u>	
<u>Financial assets:</u>	
Cash	20,161
Loans and receivables	15
Total financial assets	<u>20,176</u>
<u>Financial liabilities:</u>	
Trade and other payables	68
Total financial liabilities	<u>68</u>
Net financial assets at end of the year	<u>20,108</u>
	<b>Company US dollar \$'000</b>
<u>2016</u>	
<u>Financial assets:</u>	
Cash	39
Total financial assets	<u>39</u>
	<b>US dollar \$'000</b>
<u>2015</u>	
<u>Financial assets:</u>	
Cash	38
Loans and receivables	1,250
Total financial assets	<u>1,288</u>
<u>Financial liabilities:</u>	
Trade and other payables	35
Total financial liabilities	<u>35</u>
Net financial assets at end of the year	<u>1,253</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 27. Financial instruments: information on financial risks (Continued)

### 27G. Foreign currency risks (Continued)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the US\$ with all other variables held constant would have an adverse effect on pre-tax profit of	<u>(2,417)</u>	<u>(1,828)</u>	<u>(4)</u>	<u>(114)</u>

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

## 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 FRS 108 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: Build-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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 28. Financial information by operating segments (Continued)

### 28A. Information about reportable segment profit or loss, assets and liabilities (Continued)

The segment and the type of products and services is as follows:

Build-Operate-Transfer (“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.

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 segment profit before income tax.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

### 28B. Profit or loss from continuing operations and reconciliations

	BOT \$'000	Unallocated \$'000	Group \$'000
<b>Continuing operations 2016</b>			
<b>Revenue by segment</b>			
Total revenue by segment	19,326	–	19,326
Profit (loss) before tax from continuing operations	5,149	(724)	4,425
Income tax expense			(1,458)
<b>Profit from continuing operations</b>			<b>2,967</b>
<b>Continuing operations 2015</b>			
<b>Revenue by segment</b>			
Total revenue by segment	9,820	–	9,820
Profit (loss) before tax from continuing operations	3,822	(2,754)	1,068
Income tax expense			(488)
<b>Profit from continuing operations</b>			<b>580</b>

### 28C. Assets and reconciliations

	BOT \$'000	Group \$'000
<b>2016</b>		
Total assets for reportable segments	69,451	69,451
Unallocated	–	62,827
<b>Total group assets</b>		<b>132,278</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 28. Financial information by operating segments (Continued)

### 28C. Assets and reconciliations (Continued)

	BOT \$'000	Group \$'000
<b>2015</b>		
Total assets for reportable segments	43,975	43,975
Unallocated	–	28,825
<b>Total group assets</b>		<b>72,800</b>

### 28D. Liabilities and reconciliations

	BOT \$'000	Group \$'000
<b>2016</b>		
Total liabilities for reportable segments	8,871	8,871
Unallocated	–	420
<b>Total group liabilities</b>		<b>9,291</b>

	BOT \$'000	Group \$'000
<b>2015</b>		
Total liabilities for reportable segments	5,943	5,943
Unallocated	–	799
<b>Total group liabilities</b>		<b>6,742</b>

### 28E. Other material items and reconciliations

	BOT \$'000	Unallocated \$'000	Group \$'000
Expenditures for non-current assets:			
2016	954	2	956
2015	–	378	378
Depreciation of plant and equipment:			
2016	178	*	178
2015	–	136	136

\* Less than S\$1,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

## 28. Financial information by operating segments (Continued)

### 28F. Geographical information

	Revenue		Non-current assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Indonesia	19,326	9,820	63,229	41,239
Singapore	–	–	3	–
Total continuing operations	<u>19,326</u>	<u>9,820</u>	<u>63,232</u>	<u>41,239</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

### 28G. Information about major customer

The group's total revenue is from one customer.

## 29. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative
FRS 7	Amendments to FRS 7: Disclosure Initiative (early application)
Various	Improvements to FRSs (Issued in November 2014)
	FRS 19 Employee Benefits – Discount rate: regional market issue

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. New or amended standards in issue but not yet effective

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019

# SHAREHOLDING STATISTICS

AS AT 15 MARCH 2017

## SHARE CAPITAL

Issued and paid-up capital	:	S\$120,595,234.10
No. of issued and paid-up shares	:	2,800,923,962
No. of Treasury Shares	:	Nil
Class of equity security	:	Ordinary Shares
Voting rights	:	One vote per share

## DISTRIBUTION OF SHAREHOLDINGS

As recorded in the Register of Members and Depository Register.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	84	5.82	813	0.00
100 – 1,000	111	7.69	88,598	0.00
1,001 – 10,000	223	15.46	1,296,763	0.05
10,001 – 1,000,000	955	66.18	146,183,731	5.22
1,000,001 and above	70	4.85	2,653,354,057	94.73
	<u>1,443</u>	<u>100.00</u>	<u>2,800,923,962</u>	<u>100.00</u>

## Public Float

Based on information available to the Company as at 15 March 2017, approximately 20.19% of the issued ordinary shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited.

## TOP 20 SHAREHOLDERS LIST

As recorded in the Register of Members and Depository Register.

S/No	Name of Shareholder	No. of Shares Held	%
1	OCBC Securities Private Ltd	1,751,702,408	62.54
2	Moya Holding Company B.S.C.	486,083,677	17.35
3	Raffles Nominees (Pte) Ltd	43,743,825	1.56
4	Citibank Nominees Singapore Pte Ltd	41,852,175	1.49
5	Maybank Kim Eng Securities Pte Ltd	39,784,400	1.42
6	DBS Vickers Securities (S) Pte Ltd	21,184,750	0.76
7	Shu Lifen	18,282,600	0.65
8	Hong Leong Finance Nominees Pte Ltd	17,500,000	0.62
9	Lim Yue Heng	17,130,200	0.61
10	Omar Ziyad Fekri Z	16,800,000	0.60
11	DBS Nominees Pte Ltd	14,395,100	0.51
12	First City Logistics Pte Ltd	9,500,000	0.34
13	Ng Ser Miang	8,356,500	0.30
14	UOB Kay Hian Pte Ltd	8,349,875	0.30
15	DB Nominees (S) Pte Ltd	8,000,000	0.29
16	CIMB Securities (S) Pte Ltd	7,908,331	0.28
17	Ling Ewe Chong @ Yew Chong	7,135,100	0.25
18	Neo Kim Kueh	7,000,000	0.25
19	Ramesh S/O Pritamdas Chandiramani	7,000,000	0.25
20	Chin Sek Peng	5,625,000	0.20
		<u>2,537,333,941</u>	<u>90.57</u>

# SHAREHOLDING STATISTICS

AS AT 15 MARCH 2017

## SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Members and Depository Register.

Substantial shareholders	Direct interest		Deemed interest	
	No. of shares	% of shares	No. of shares	% of shares
Tamaris Infrastructure Pte. Ltd.	1,731,176,049	61.8%	–	–
P.T. Tamaris Hidro	–	–	1,731,176,049 <sup>(1)</sup>	61.8%
P.T. Tatajabar Sejahtera	–	–	1,731,176,049 <sup>(2)</sup>	61.8%
P.T. Besland Pertiwi	–	–	1,731,176,049 <sup>(3)</sup>	61.8%
P.T. Bestari Indah Pertiwi	–	–	1,731,176,049 <sup>(4)</sup>	61.8%
P.T. Insan Asia Nusantara	–	–	1,731,176,049 <sup>(5)</sup>	61.8%
P.T. Mandara Permai	–	–	1,731,176,049 <sup>(6)</sup>	61.8%
P.T. Kinetik Advisindo	–	–	1,731,176,049 <sup>(7)</sup>	61.8%
P.T. Tritunggal Intipermata	–	–	1,731,176,049 <sup>(8)</sup>	61.8%
Anthoni Salim	–	–	1,731,176,049 <sup>(9)</sup>	61.8%
Moya Holdings Company B.S.C. (c)	486,083,677	17.4%	–	17.4%
Altaaqa Alternative Solutions Company Limited	–	–	486,083,677 <sup>(10)</sup>	17.4%
Zahid Tractor & Heavy Machinery Co. Ltd	–	–	486,083,677 <sup>(11)</sup>	17.4%
Gulf One Investment Bank BSC (C)	–	–	486,083,677 <sup>(12)</sup>	17.4%

### Notes:

- (1) P.T. Tamaris Hidro is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in Tamaris Infrastructure Pte. Ltd.
- (2) P.T. Tatajabar Sejahtera is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Tamaris Hidro.
- (3) P.T. Besland Pertiwi is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Tatajabar Sejahtera.
- (4) P.T. Bestari Indah Pertiwi is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Besland Pertiwi.
- (5) P.T. Insan Asia Nusantara is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Besland Indah Pertiwi.
- (6) P.T. Mandara Permai is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Insan Asia Nusantara.
- (7) P.T. Kinetik Advisindo is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Mandara Permai.
- (8) P.T. Tritunggal Intipermata is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Kinetik Advisindo.
- (9) Anthoni Salim is deemed to be interested in the shares of the Company held by Tamaris Infrastructure Pte. Ltd. by virtue of its shareholding in P.T. Tritunggal Intipermata.
- (10) Altaaqa Alternative Solutions Company Limited has a 20% shareholding interest in Moya Holding Company B.S.C. (c) and is accordingly deemed interested in all the ordinary shares held by Moya Holding Company B.S.C. (c) in the Company.
- (11) Zahid Tractor & Heavy Machinery Co. Ltd has 80% shareholding interest in Altaaqa Alternative Solutions Company Limited and is accordingly deemed interested in all the ordinary shares held by Moya Holding Company B.S.C. (c) in the Company.
- (12) Gulf One Investment Bank B.S.C. has a 41% of Moya Holding Company B.S.C. (c) and is accordingly deemed interested in all the ordinary shares held by Moya Holding Company B.S.C. (c) in the Company.

# NOTICE OF ANNUAL GENERAL MEETING

MOYA HOLDINGS ASIA LIMITED  
(Incorporated in the Republic of Singapore)  
Company Registration No. 201301085G

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Moya Holdings Asia Limited (the “Company”) will be held at InterContinental Singapore, Bugis Vault 3, Basement 1, 80 Middle Road, Singapore 188966 on Friday, 28 April 2017 at 12.00 noon to transact the following business:–

## As Ordinary Business

1. To receive and adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 December 2016 (“FY2016”) and the Auditors’ Report thereon. [Resolution 1]
  
2. To approve the payment of Directors’ fees of S\$215,000 for the financial year ending 31 December 2017, to be paid quarterly in arrears. [FY2016: S\$215,000] [Resolution 2]
  
3. (a) To re-elect Mr Simon A. Melhem who is retiring in accordance with Article 93 of the Company’s Constitution, as a Director of the Company. [Resolution 3(a)]  
[See explanatory note (i)]
  
- (b) To re-elect Mr Low Chai Chong who is retiring in accordance with Article 93 of the Company’s Constitution, as a Director of the Company. [Resolution 3(b)]  
[See explanatory note (ii)]
  
4. To re-appoint RSM Chio Lim LLP, as the Company’s Auditors and to authorise the Directors to fix their remuneration. [Resolution 4]
  
5. To transact such other business as can be transacted at an Annual General Meeting of the Company.

## As Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:–

6. **Authority to allot and issue shares**
  - (a) “That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual – Section B: Rules of Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), authority be and is hereby given to the directors of the Company (“Directors”) to: [Resolution 5]
    - (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,

# NOTICE OF ANNUAL GENERAL MEETING

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

- (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 Resolution 5 (including Shares to be issued in pursuance of the Instruments made or granted pursuant to Resolution 5) does not exceed 100% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (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 Resolution 5) does not exceed 50% of the total number of issued Shares (excluding treasury shares) (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) shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of Resolution 5, after adjusting for:
    - (A) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
    - (B) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of Resolution 5; provided that such share awards or share options were granted in compliance with Part VIII of Chapter 8 of the Catalyst Rules; and
    - (C) any subsequent bonus issue, consolidation or sub-division of Shares;
  - (iii) in exercising the authority conferred by Resolution 5, the Company shall comply with the Catalyst 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, Cap. 50 and the Company's Constitution; and
  - (iv) (unless revoked or varied by the Company in a general meeting) the authority conferred by 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 (iii)]

# NOTICE OF ANNUAL GENERAL MEETING

## 7. Authority to allot and issue Shares under the MHAL Employee Share Option Scheme

“That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to grant share options in accordance with the provisions of the MHAL Employee Share Option Scheme (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) 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 or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier.”

[See explanatory note (iv)]

[Resolution 6]

By Order of the Board

Low Chai Chong  
Chairman, Non-Executive Lead Independent Director  
Singapore  
13 April 2017

### Explanatory Notes:

- (i) Mr Simon A. Melhem, if re-elected, will remain as an Executive Director. The key information of Mr Simon A. Melhem can be found under the sections entitled “Board of Directors”, “Corporate Governance Report – Principle 4” and “Statement by Directors” of the Company’s Annual Report 2016. Mr Simon A. Melhem has a direct interest of 1,400,000 Shares and 8,000,000 share options in the Company. Save for the aforementioned shareholding in the Company, Mr Simon A. Melhem does not have any relationships, including immediate family relationships with the Directors, the Company or its 10% shareholders.
- (ii) Mr Low Chai Chong, if re-elected, will remain as the Chairman of the Audit Committee, and continue as a member of the Nominating Committee and the Remuneration Committee. The Board considers Mr Low Chai Chong to be independent for the purpose of Rule 704(7) of the Catalist Rules and accordingly, will continue to act as the Company’s Lead Independent Director. The key information of Mr Low Chai Chong can be found under the sections entitled “Board of Directors”, “Corporate Governance Report – Principle 4” and “Statement by Directors” of the Company’s Annual Report 2016. Mr Low Chai Chong does not have any relationships, including immediate family relationships with the Directors, the Company or its 10% shareholders.
- (iii) Resolution 5, 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), with a sub-limit of 50% of the total number of issued Shares (excluding treasury shares) 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) 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.

# NOTICE OF ANNUAL GENERAL MEETING

- (iv) Resolution 6, if passed, will authorise 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) from time to time.

## Notes:

1. (a) A member who is not a Relevant Intermediary may appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary may appoint more than two (2) 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 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, Cap 50.

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.

## 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 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 (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (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.*

# MOYA HOLDINGS ASIA LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201301085G

## 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 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 Annual General Meeting dated 13 April 2017.

I/We \_\_\_\_\_ NRIC/Passport/Co. Reg. No. \_\_\_\_\_

of \_\_\_\_\_

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	%

as my/our proxy/proxies to attend, speak and vote for me/us vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at InterContinental Singapore, Bugis Vault 3, Basement 1, 80 Middle Road, Singapore 188966 on Friday, 28 April 2017 at 12.00 noon and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting 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 may on any other matter arising at the Annual General Meeting.

NO	ORDINARY RESOLUTIONS	No. of Votes FOR*	No. of Votes AGAINST*
	<u>Ordinary Business</u>		
1.	To receive and adopt the Statement by Directors and Audited Financial Statements of the Company for the year ended 31 December 2016 and the auditors' report thereon		
2.	To approve Directors' fees		
3.	(a) To re-elect Mr Simon A. Melhem as a Director		
	(b) To re-elect Mr Low Chai Chong as a Director		
4.	To re-appoint RSM Chio Lim LLP as the Company's Auditors		
5.	Any other ordinary business		
	<u>Special Business</u>		
6.	To authorise Directors to allot and issue Shares		
7.	To authorise Directors to allot and issue Shares pursuant to the MHAL Employees Share Option Scheme		

\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (v) within the relevant box provided. Alternatively, if you wish to exercise your vote both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Member	

Signature(s) of Member(s) or Common Seal of Corporate Member

IMPORTANT:—

PLEASE READ NOTES OVERLEAF

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# MOYA HOLDINGS ASIA LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 201301085G

## PROXY FORM

### 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 who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member 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 form of proxy 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 form of proxy.  
  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 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 Annual General Meeting.
- 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 meeting.
- 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 is signed on behalf of the appointer 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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

### 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 Annual General Meeting, 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 Annual General Meeting dated 13 April 2017.