

**RESPONSE TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)  
IN RESPECT OF THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31  
DECEMBER 2020**

---

The board of directors (the “**Board**”) of Moya Holdings Asia Limited (the “**Company**”, and together with its subsidiary, the “**Group**”) refers to the queries raised by the Securities Investors Association (Singapore) (“**SIAS**”) in respect of the Company’s annual report for the financial year ended 31 December 2020 (“**FY2020**”) (“**Annual Report 2020**”). The Company wishes to provide its responses to the queries from SIAS below:

**SIAS Query 1**

*The group currently operates three water concession projects through PT Aetra Air Jakarta, PT Aetra Air Tangerang and PT Moya Indonesia, and bulk water project through PT Acuatico Air Indonesia. The group also has six Build-Operate-Transfer (BOT) projects under PT Moya Bekasi Jaya, PT Moya Tangerang, PT Moya Makassar, PT Air Semarang Barat, PT Tirta Kencana Cahaya Mandiri and PT Tirta Traya Cisadane.*

*Would the board/management provide shareholders with greater clarity on the following operational matters? Specifically:*

- (i) ***Obor Infrastructure: Has the integration of Obor been successfully concluded? With nine months of ownership since the acquisition, has Obor’s operational and financial performance met management’s expectations?***

Company’s Response:

The Group completed the acquisition of Obor Infrastructure Pte. Ltd. and its subsidiaries (namely, PT Traya Tirta Cisadane and PT Tirta Kencana Cahaya Mandiri) (the “**Obor Group**”) in March 2020. The integration of the Obor Group has been successfully concluded, and the Obor Group has been consolidated in the Group’s FY2020 results. The operational and financial performance of the Obor Group has met the expectations of the management of the Group (“**Management**”).

- (ii) ***Batam: Can management help shareholders understand if the group’s Batam project is solely for a six-month transition period? The group had announced that it had won a water supply system project tender to manage on behalf of BP Batam (Batam Free Trade Zone and Free Port Authority) the operation and maintenance of water supply system in Batam during the transition period of six months starting from 15 November 2020 until 14 May 2021. Are there opportunities for the group to take over the long-term management of the plant?***

Company’s Response:

At the moment, the Group is solely managing the operation and maintenance of water supply system in the Batam project for six months starting from 15 November 2020 until 14 May 2021. Concurrently, BP Batam is preparing a tender process for a longer term period. The Group believes that it has good opportunity to participate in the aforesaid tender for the operation and management of the Batam plant. The Company will provide updates to its shareholders in compliance with the Catalist Rules, as and when there are material development on the above.

- (iii) **Renewable energy: Has the group evaluated any renewable energy projects? How does the group source for deals and acquisitions? Can the group briefly explain the rationale to venture into this particular segment which is also capital intensive? Are there synergies with its current operations?**

Company's Response:

The Group is continuously looking for potential investment opportunity in renewable energy projects and other projects in the green energy related industry. The Group continuously conducts studies and assessments on such potential investment opportunities and has yet to make any investment in this area. The Group will make the requisite announcement in compliance with the Catalist Rules, once the Group concludes any such new investments.

The Group anticipates good prospects in the renewable energy sector in the upcoming years, according to the trend in global market. Any investments in the renewable energy sector will be in line with the Group's vision to expand and grow in the infrastructure sector as a sustainable company which brings positive impact to the environment and community. The Group will continue to do further assessments in this business segment to generate good synergies with our current operations.

**SIAS Query 2**

**The review of the group's financials is shown on pages 20 to 25 of the Annual Report 2020 and the consolidated statement of cash flow is reproduced below (page 25 of the Annual Report 2020):**

<b>Consolidated Statement of Cash Flow</b>	<b>FY2020 S\$'000</b>	<b>FY2019 S\$'000</b>
Cash flows provided by operating activities	80,565	75,452
Cash flows used in investing activities	(62,602)	(34,200)
Cash flows used in financing activities	(61,060)	(56,209)
Net decrease in cash and cash equivalents	(43,097)	(14,957)
Cash and cash equivalents at beginning of year	101,544	115,570
Net effect of exchange rate changes in cash	(120)	931
<b>Cash and cash equivalents at end of year</b>	<b>58,327</b>	<b>101,544</b>

**Revenue for the year was \$240.1 million (FY2019: \$205.8 million) while profit for the year was \$36.6 million (FY2019: \$17.0 million). In FY2020, the group made payments of interest of \$25.2 million (FY2019: \$27.8 million). As disclosed in Note 28E (page 119 of the Annual Report 2020 – Financial risk management: Capital risk), total borrowings amounted to \$229.6 million (FY2019: \$246.5 million).**

- (i) **Can the directors help shareholders understand the current borrowing costs? Details of the borrowings can be found on pages 106 to 112. Typical rates are ~10% or based on JIBOR + a spread of 3.5-5% (with a minimum of 9%). How can the group reduce its borrowing costs?**

Company's Response:

Supported by strong financial performance and relationships with its existing lenders, the Group continually monitors the movement of interest rates in the market to match with the Group's acceptance level, which is demonstrated by the Group's lower borrowing costs of around 8.9% as of March 2021. Furthermore, the Group is constantly looking for opportunities from other sources of funding with lower costs.

- (ii) **What is the return on investment/hurdle rate used in the board approval process for new investments?**

Company's Response:

The Group believes that such information on the rate is commercially sensitive. The Management ensures that comprehensive assessment of any new investment is being conducted, to ensure that such new investment can generate commercially feasible returns for the Group.

- (iii) **Most of the group's long-term borrowings are charged with floating interest rates (page 113 of the Annual Report 2020 – Fair value of borrowings). Has the board evaluated the group's interest rate risks? If so, are there cost-effective ways for the group to better manage its interest rate risks?**

Company's Response:

The Management is constantly monitoring the Group's liabilities and interest rate fluctuations to ensure that the exposure to interest rate risks is within acceptable levels.

### **SIAS Query 3**

**On page 119 of the Annual Report 2020, the group disclosed that its gearing ratio calculated as net debt divided by total capital is 34%. The net debt-to-equity ratio is 51%.**

- (i) **Has the board set a limit to the group's leverage?**

Company's Response:

Internally, as a benchmark, the Group's leverage limit has been set by the Management and duly endorsed by the Board, at 3 times of the Group's debt-to-equity ratio.

- (ii) **Given the current financial position, does the group have sufficient capital to support its growth objectives?**

Company's Response:

Currently, the Group has sufficient capital to support its growth objectives. However, the Group is continuously looking for new funding opportunities from both debt and equity portions.

**In FY2020, revenue increased by 16.7% to \$240.1 million and trade receivables increased by 24.5% from \$38.0 million in FY2019 to \$47.3 million.**

- (iii) **Does management see evidence that collection of trade receivables is slower? What are the ways the group can improve on the collection of receivables from customers?**

Company's Response:

The receivables turnover days is relatively stable in FY2019 and FY2020. The increase in receivables at the end of FY2020 was mainly due to the contribution from the Obor Group and the new project in Batam.

**As seen from the financial highlights (page 20 of the Annual Report 2020), the group's revenue has increased from \$27.4 million to \$240.1 million from FY2016 to FY2020. Over the same period, the group reported strong gross profits, EBITDA, net profit and EPS. The company does not have a fixed dividend policy (page 46 of the Annual Report 2020). For FY2020, the board did not recommend any dividends to be declared as it deems it appropriate to retain cash for the group's capital expenditure and for the group's future growth.**

- (iv) **What deliberations did the board have over the recommendation of dividend for FY2020?**

Company's Response:

The Board considers that it is appropriate to retain the cash to support the capital expenditure and future growth of the Group.

- (v) ***How does the board intend to balance the need to retain cash in the group to support its growth and the need to provide steady returns in the form of regular dividends to shareholders?***

Company's Response:

The Board bears in mind the need to provide steady returns in the form of regular dividends to the Company's shareholders. At the same time, the Board recognises that the Group is still in extensive expansion phase of business. The Board, as and when necessary, will review the long-term plans and the operations of the Group to ensure that it provides returns to the Company's shareholders whilst supporting the requirements of the Group's growth and operations.

***Separately, the group managed to grow inorganically through acquisitions, notably Acuatico Pte Ltd and its subsidiaries and Obor Infrastructure Pte. Ltd. and its subsidiaries.***

- (vi) ***How does the group ensure that they are not over-paying for these assets (and any prospective acquisitions)? Goodwill impairment assessment and purchase price allocation have been identified as key audit matters by the independent auditor.***

Company's Response:

Prior to the aforesaid acquisitions, the Group has engaged independent consultants to perform valuation reviews and conduct due diligence procedures along with the Group to ensure that the purchase price of each acquisition properly reflected the market price.

By Order of the Board  
**Moya Holdings Asia Limited**

Irwan A. Dinata  
Managing Director

22 April 2021

---

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

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

*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.*