



NEWS RELEASE

HYFLUX POSTS NET PROFIT OF S\$6.4 MILLION IN 3Q2015

- **Key EPC activities in 2015/ 2016: Qurayyat IWP and TuasOne WTE**
- **Tuaspring Power Plant's testing and commissioning on schedule, expected to be fully operational in 2016**

Singapore, 4 November 2015 – Hyflux Ltd (or the Group) reported profit after tax and minority interests (PATMI) of S\$6.4 million in the third quarter of 2015 compared with S\$11.3 million PATMI recorded in the third quarter of 2014. Excluding one-off tax credits in the third quarter of 2014, PATMI was largely flat year over year. Total revenue for the third quarter increased 32% to S\$133.5 million, contributed mainly by the Qurayyat Independent Water Project (IWP) in the Sultanate of Oman.

For the nine months ended 30 September 2015, the Group recorded PATMI of S\$38.0 million and revenue of S\$288.8 million. The Group's PATMI was S\$110.6 million and revenue was S\$270.0 million over the same period last year. The lower PATMI reflected a lower level of divestment activities in the first nine months of 2015 compared to 2014.

Municipal projects represented 92% or S\$265.5 million of Group revenue. While Asia continued to be Hyflux's main market with Singapore and China accounting for 38% and 26% respectively, revenue from the Middle East and North Africa (MENA) region rose to 32% or S\$91.8 million from 6% due to initial contributions from the Qurayyat IWP and a containerised desalination system project to augment the existing Yanbu Desalination Plant in the Kingdom of Saudi Arabia.

The Group's cash position was S\$323 million and the net gearing ratio rose to 0.83 times as at 30 September 2015.

Outlook for the year

MENA and Singapore are expected to be the main revenue contributors for the next few years as the Group develops water and waste-to-energy projects in these two regions.

In October 2015, Hyflux and its consortium partner Mitsubishi Heavy Industries (MHI) signed a 25-year waste-to-energy services agreement with Singapore's National Environment Agency to provide 3,600 tonnes per day of incineration capacity from the country's sixth and largest waste-to-energy (WTE) plant, which will be developed on a design-build-own-operate model.



Hyflux will undertake engineering, procurement and construction (EPC) works while MHI will provide the technology. In addition, Hyflux and MHI will jointly manage, operate and maintain the WTE plant over the concession period. The project will have one of the best land utilisation factors in terms of incineration capacity per unit floor area and will also be one of the most efficient in terms of energy recovery per unit waste incinerated in the world.

Meanwhile, testing and commissioning for Hyflux's 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant in Singapore is on schedule and the plant is expected to be fully operational in early 2016.

In Oman, construction of Qurayyat IWP is underway and the project is scheduled to commence commercial operation by May 2017.

"The addition of Singapore's sixth waste-to-energy plant to our project wins in Oman and Saudi Arabia is a major milestone for Hyflux as we expand our business to include sustainable solutions that help municipalities and industries to optimise resources. With many countries scaling back on infrastructure projects as a result of the depressed oil prices, we are cautious about our business outlook in the near term. Nevertheless, we have a strong order book and we will continue to strengthen our capabilities in anticipation of the longer-term growth opportunities," said Ms Olivia Lum, Executive Chairman and Group CEO of Hyflux.

As part of the Group's asset light strategy, the Group will continue to explore water asset divestments to recycle capital for strategic investments.

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About Hyflux

Hyflux is a global leader in sustainable solutions, focusing on the areas of water and energy. Headquartered and listed in Singapore, the Group has operations and projects in Southeast Asia, China, India, the Middle East, Africa and the Americas. Hyflux is committed to providing cost-effective and innovative solutions that contribute to resource optimisation and sustainable growth for communities and industries. A specialist in water treatment, Hyflux is distinctive in its ability to address the challenges at every point of the entire water value chain. The Group's track record includes Singapore's first water recycling plant and some of the world's largest seawater reverse osmosis desalination plants in Algeria, China and Singapore.

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