



NEWS RELEASE

HYFLUX POSTS NET PROFIT OF S\$0.8 MILLION IN FIRST QUARTER OF 2017

- **Excluding results from Tuaspring, net profit at \$27.8 million**
- **Tuaspring pending partial divestment, classified as Held for Sale,**
- **Divestment of Galaxy joint venture successfully completed**

Singapore, 4 May 2017 – Hyflux Ltd (or the Group) reported profit after tax and minority interests (PATMI) for the quarter ended 31 March 2017 (1Q2017) of S\$0.8 million, a decrease from S\$7.3 million in the corresponding quarter ended 31 March 2016 (1Q2016). The Tuaspring plant (Tuaspring), which has been classified as Held for Sale, contributed losses of S\$27.0 million for 1Q2017 due to the weak Singapore power market. Excluding results from Tuaspring, PATMI was S\$27.8 million, an 8% increase from S\$25.8 million in 1Q2016.

Excluding Tuaspring, revenue for 1Q2017 was S\$91.5 million, a decrease from S\$222.8 million in 1Q2016, largely driven by lower construction activities for the TuasOne Waste-to-Energy (WTE) project in Singapore and the Qurayyat Independent Water Project (IWP) in the Sultanate of Oman.

Municipal projects continue to be the main contributor to the Group's revenue, accounting for 87% of total revenue. The Group's core markets, Singapore and the Middle East and North Africa (MENA) region, accounted for 64% and 26% of total revenue respectively.



During the quarter, the Group successfully concluded the divestment of its 50% equity stake in the Galaxy Newspring portfolio, and received the remaining proceeds of US\$126.5 million.¹

Outlook for the year

For the remaining months of 2017, the Group will be executing its EPC order book with main revenue contributions from the TuasOne WTE project in Singapore and the projects in the Kingdom of Saudi Arabia. Profits from these projects are expected to be offset by losses from the Singapore power market.

The Qurayyat IWP in Oman is expected to commence operations in the second half of the year, after completing testing and commissioning. Contract negotiation for the Ain Sokhna IWPP in Egypt is ongoing, although progress is slower than expected.

As part of its asset light strategy to recycle capital for new investments, the Group is in the process of divesting its full interest in the Tianjin Dagang desalination plant in China. The process for partial divestment of the Tuaspring plant has also started, subject to the relevant regulatory approvals. Both of these assets are classified as Held for Sale with planned completion before the end of 2017. Monetisation of these assets will free up capital for deployment to new projects as well as to reduce the Group's leverage.

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¹ The total cash consideration for the sale was US\$136.5 million, US\$10.0 million was paid in October 2016 upon the signing of the Sale and Purchase Agreement.



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 Asia, 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 Asia's first Integrated Water and Power Plant in Singapore, and some of the world's largest seawater reverse osmosis desalination plants in Algeria, China and Singapore.

For more information, please visit www.hyflux.com

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