

*Hyflux*<sup>TM</sup>



**3Q 2007 Results Review**  
12 November 2007

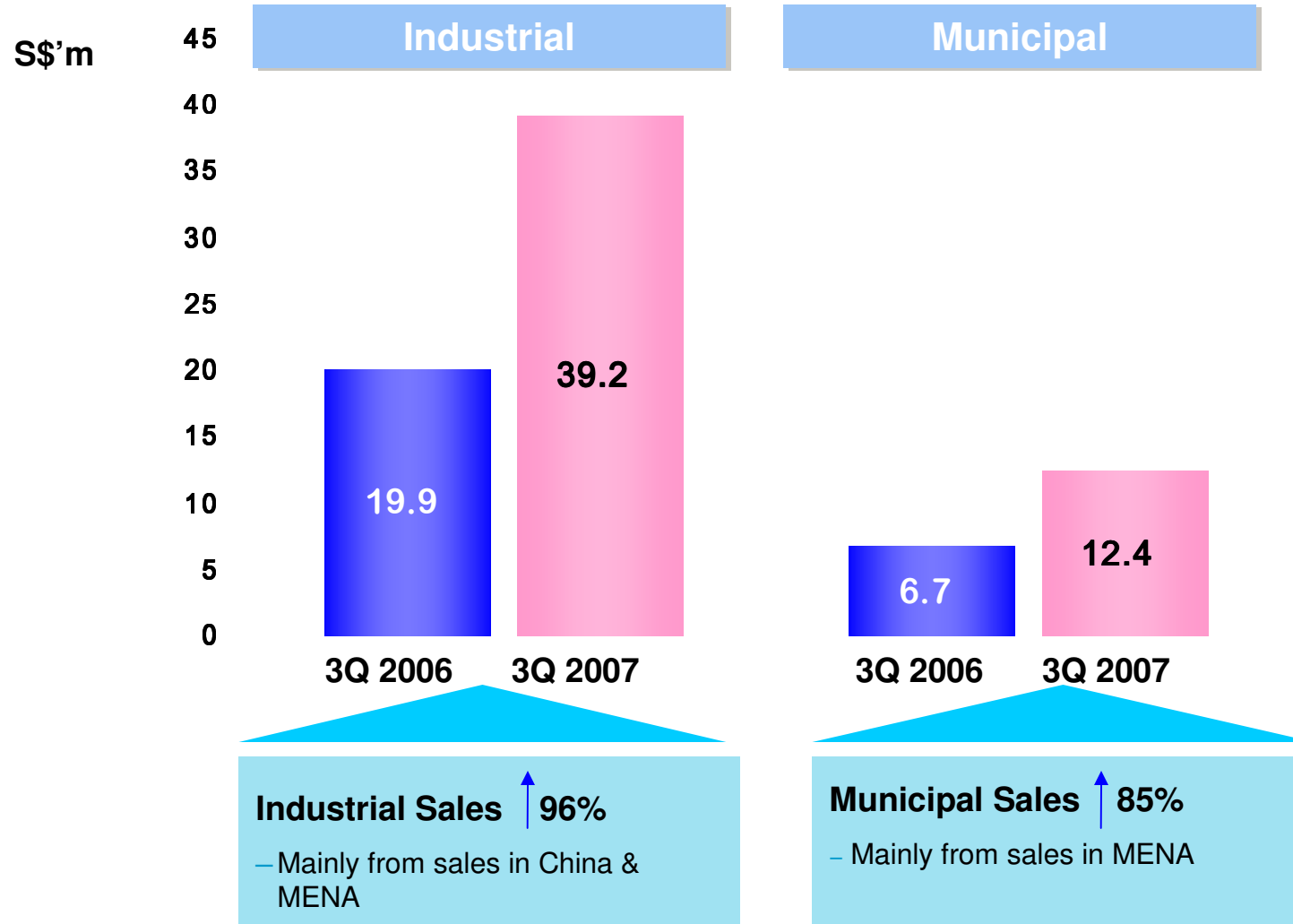
# Financial Highlights

	3Q 2007	3Q 2006	+ / (-) %
<b>Sales</b>	S\$51.9m	S\$29.4m	<b>76%</b>
<b>Operating profit *</b>	S\$6.7m	S\$0.2m	<b>NM</b>
<b>PBT</b>	S\$5.5m	S\$2.1m	<b>162%</b>
<b>PAT</b>	S\$5.1m	S\$1.2m	<b>329%</b>
<b>EPS</b>	0.80cents	0.36cents	<b>122%</b>
<b>Net Debt-to-Equity Ratio</b>	0.46	0.43	<b>7%</b>

NM : Not meaningful

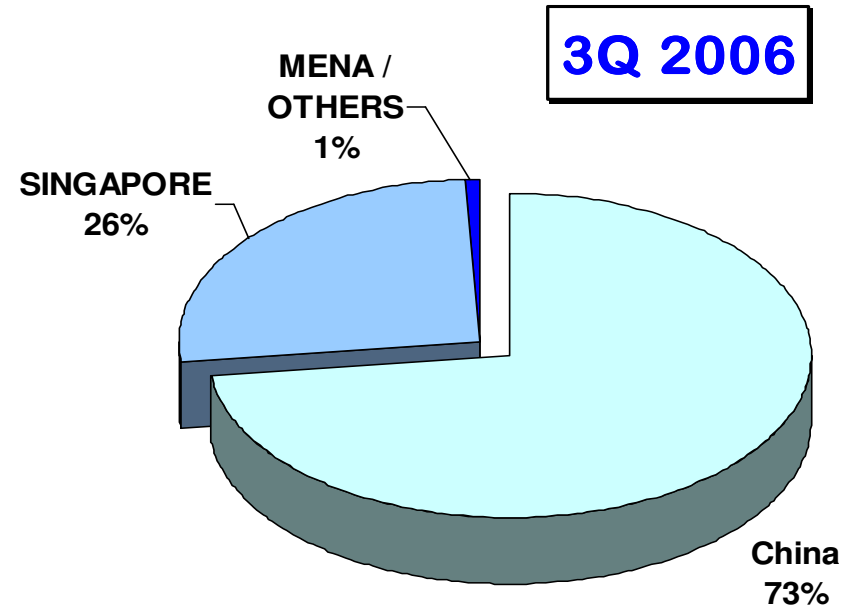
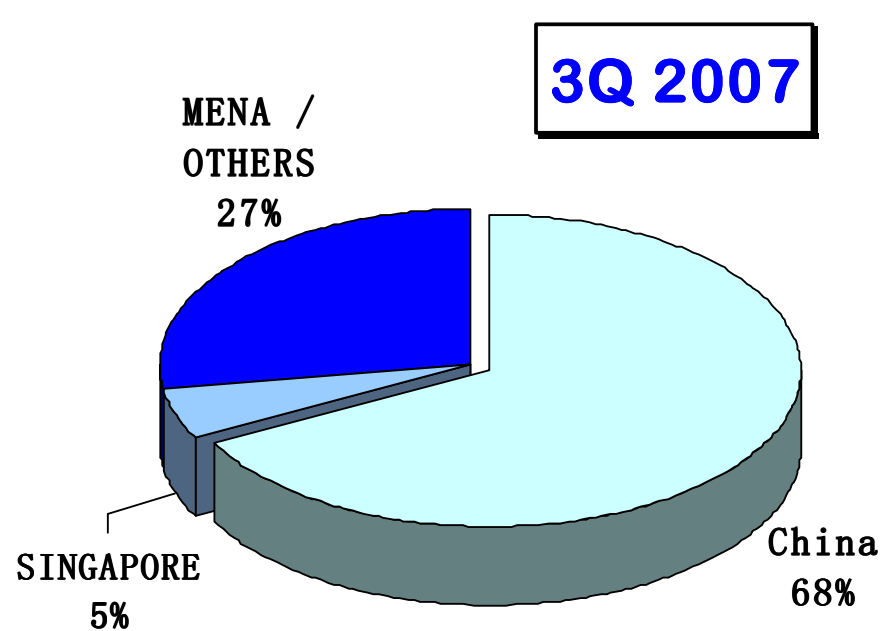
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# Revenue by Sector



# Revenue by Country

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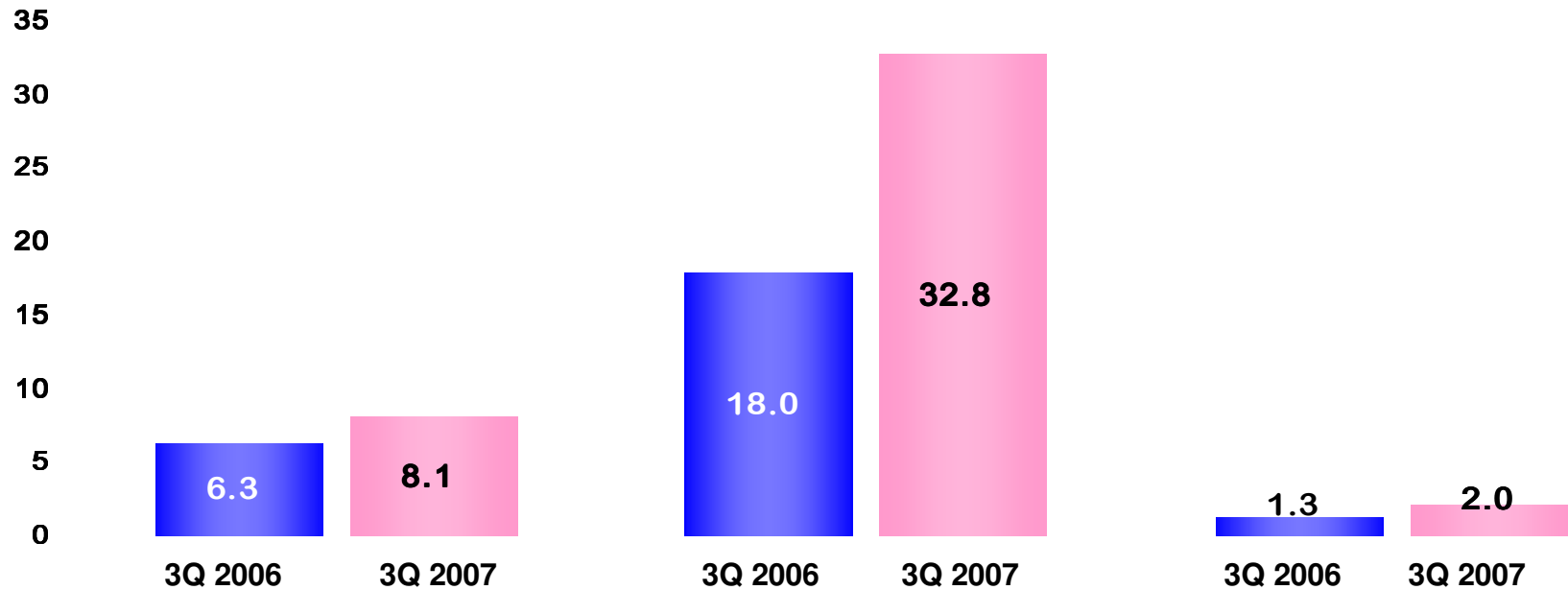
***China continues to be the key growth driver***

# COST & EXPENSES

Personnel Expense +  
Cost of Share based

Raw materials +  
consumables

Depreciation +  
Amortisation



- Personnel expenses ↑ 35%
- Share-based ↓ 11%
- Increase due to continued investment in human capital to support Group's expansion plans

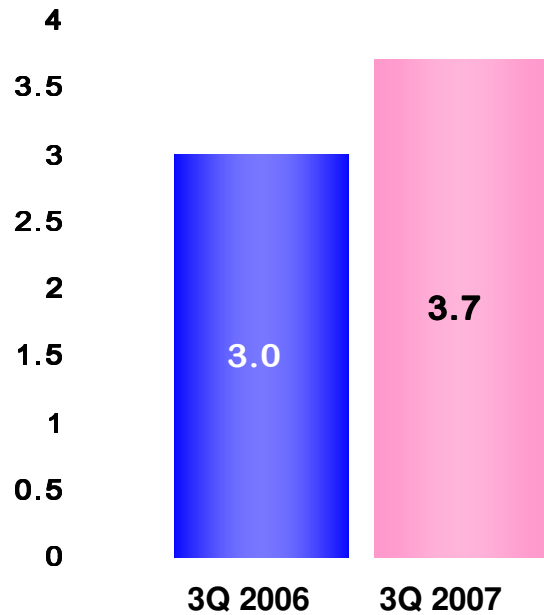
- ↑ 82%
- Increase due to increase in sales volume and escalating cost of construction materials

- ↑ 59%
- Increase due to acquisition of plant & equipment, property & intangible assets

**Hyflux**<sup>TM</sup>

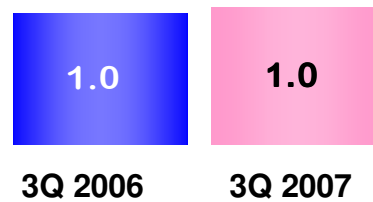
# COST & EXPENSES

## Other Operating Expense



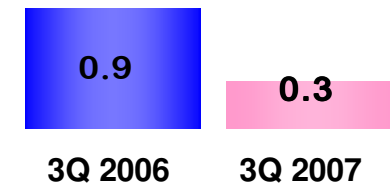
- ↑ 23%
- Increase mainly due to business development activities for market growth / expansion

## Net Finance Expense



- Constant net finance expense

## Tax expense



- Lower tax expenses due to tax exemptions & incentives

# Balance Sheet Analysis

In S\$m	3QYTD 2007	FY 2006	Change	+ / (-)%
Total non-current assets	226.5	244.9	(18.4)	(8%)
Net current assets	187.4	93.9	93.5	100%
Total non-current liabilities	180.1	119.1	61.0	51%
Shareholders' equity	213.0	201.1	11.9	6%
Minority interests	20.8	18.6	2.2	12%
Total equity	233.8	219.7	14.1	6%

# Balance Sheet Analysis

Non-current assets

↓ S\$18.4m

↓ 8% to S\$226.5m due to:

- Divestment of Singspring Pte Ltd
- Offset by acquisition of property, plant and equipment and intangible assets

Net current assets

↑ S\$93.5m

↑ 100% to S\$187.4m due to increase in the level of operating activities, in line with the expansion strategies of Hyflux

Non-current liabilities

↑ S\$61.0m

↑ 51% to S\$180.1m due to drawdown of bank loan

Shareholders' Equity

↑ S\$11.9m

↑ 6% to S\$213.0m due to new shares issued under Employee Share Options & profit for the period



# Cash Flow Analysis

In S\$m	3Q 2007	3Q 2006	Change
<b><u>Cash Flow from:</u></b>			
■ Operating Activities	(6.7)	1.2	NM
■ Investing Activities	(28.1)	(32.3)	(13%)
■ Financing Activities	54.8	6.7	NM
● Net Increase / (Decrease) in cash & cash equivalent	20.1	(24.4)	NM
● Cash & cash equivalents at end of period	68.4	36.0	90%

- Operating activities - mainly due to increased working capital requirements in line with market expansion strategies
- Investing activities - mainly due to acquisition of property, plant & equipment
- Financing activities - due to drawdown of bank loan

**The End**

