

*Hyflux*<sup>TM</sup>



**1Q2007 Results Review**  
**15<sup>th</sup> May 2007**

# Financial Review



**Presented by Grace Goh**  
**Group CFO**

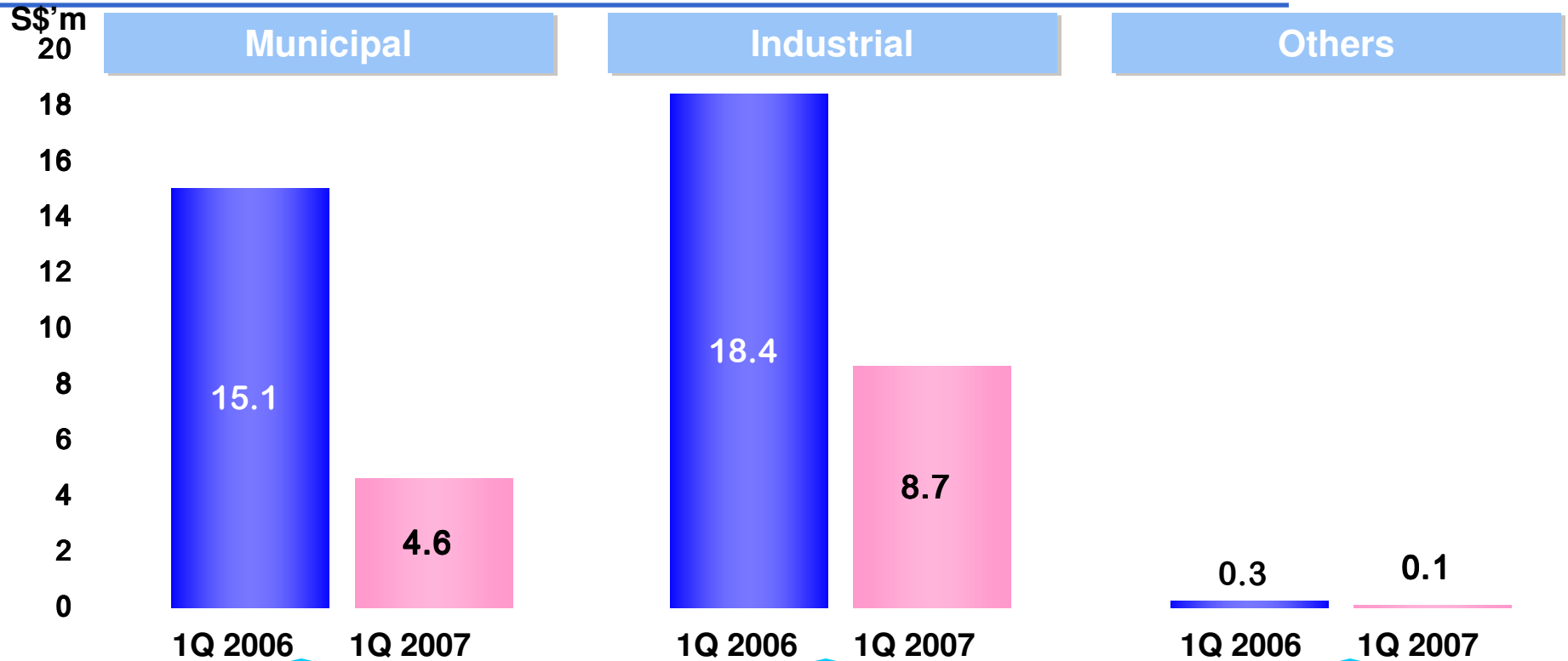
# Financial Highlights

	1Q 2007	1Q 2006
Sales	S\$13.4m	S\$33.7m
Operating profit/(loss) *	(S\$2.2m)	S\$10.8m
Gain of sale in divestment	S\$8.1m	S\$1.6m
Fair value gain/(loss) on financial instruments	(S\$2.9m)	S\$0.1m
PBT	S\$2.6m	S\$11.1m
PATMI	S\$1.2m	S\$9.6m
EPS	0.24cents	1.86cents
Net Debt-to-Equity Ratio (including PF loan)	0.12	0.43

\* Excludes one time and fair value gains

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# Revenue by Sector



## Municipal Sales ↓

- SinoSpring - EPC revenue are fully eliminated upon consolidation
- Lower revenue from Singapore – SingSpring divestment in Feb07
- Lower revenue from Middle East
- 35% of 1Q2007 Group revenue

## Industrial Sales ↓

- New contracts signed in 1Q07
- Lead time lag between signing of contracts and delivery
- Tech license fee in 1Q06 of S\$5m
- 65% of 1Q2007 Group revenue

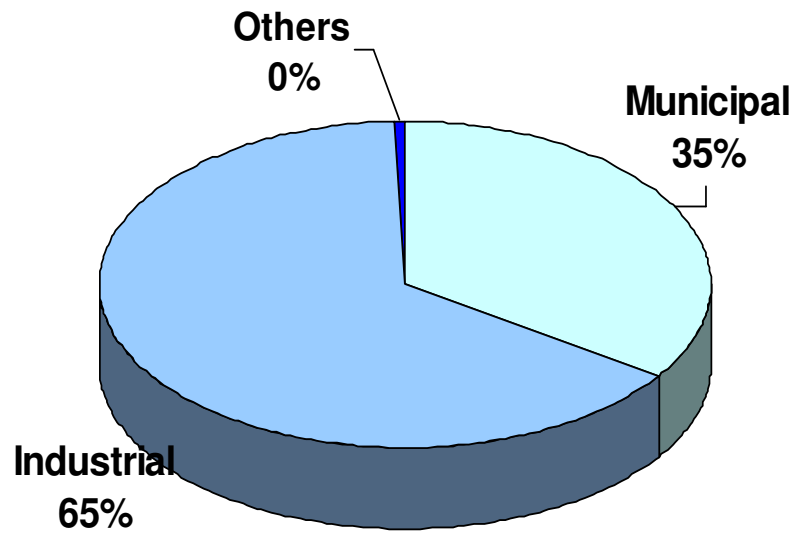
## Consumer Sales ↓

- Slow sales in 1Q2007

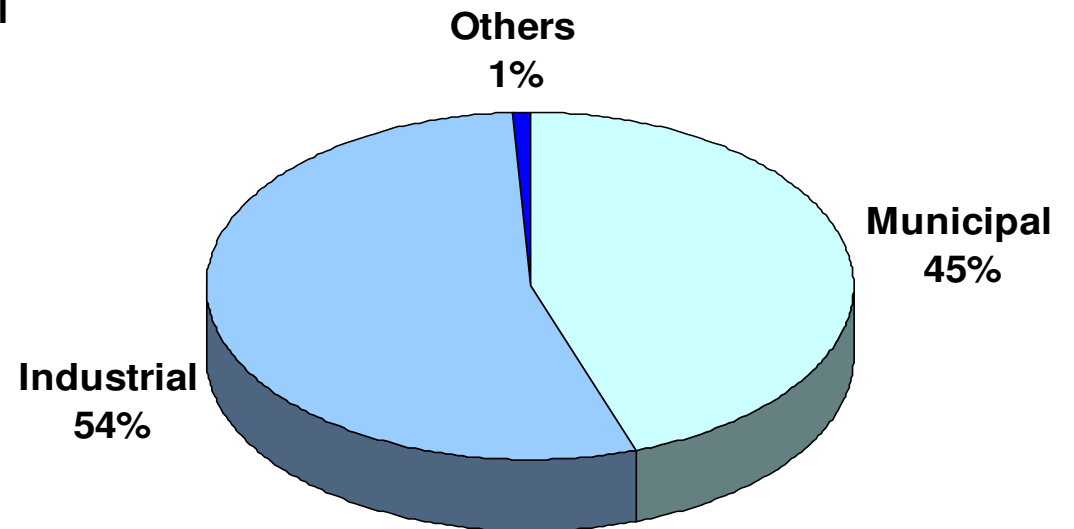
# Revenue by Sector

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**1Q 2007**

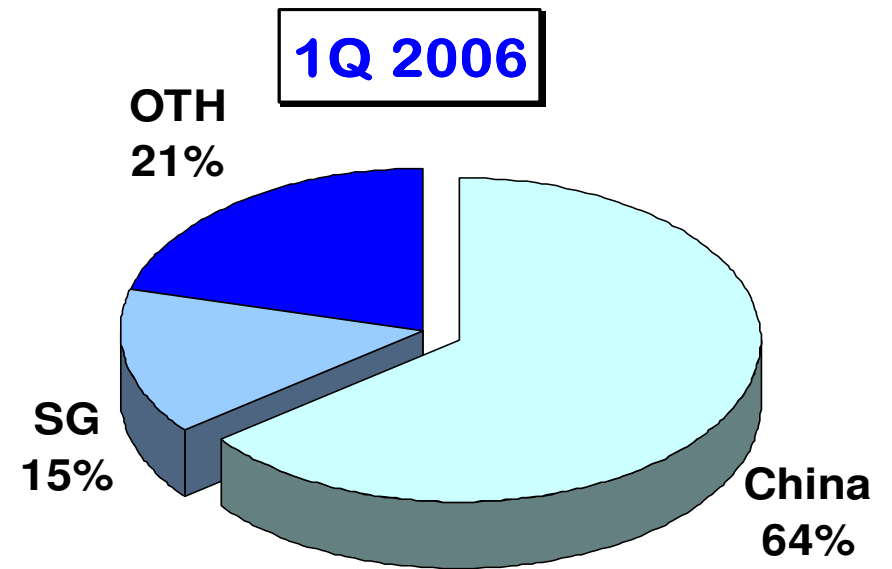
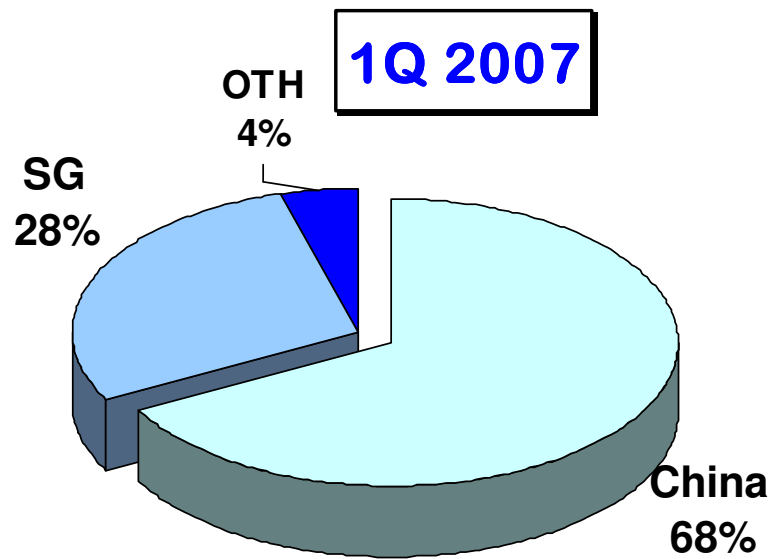


**1Q 2006**

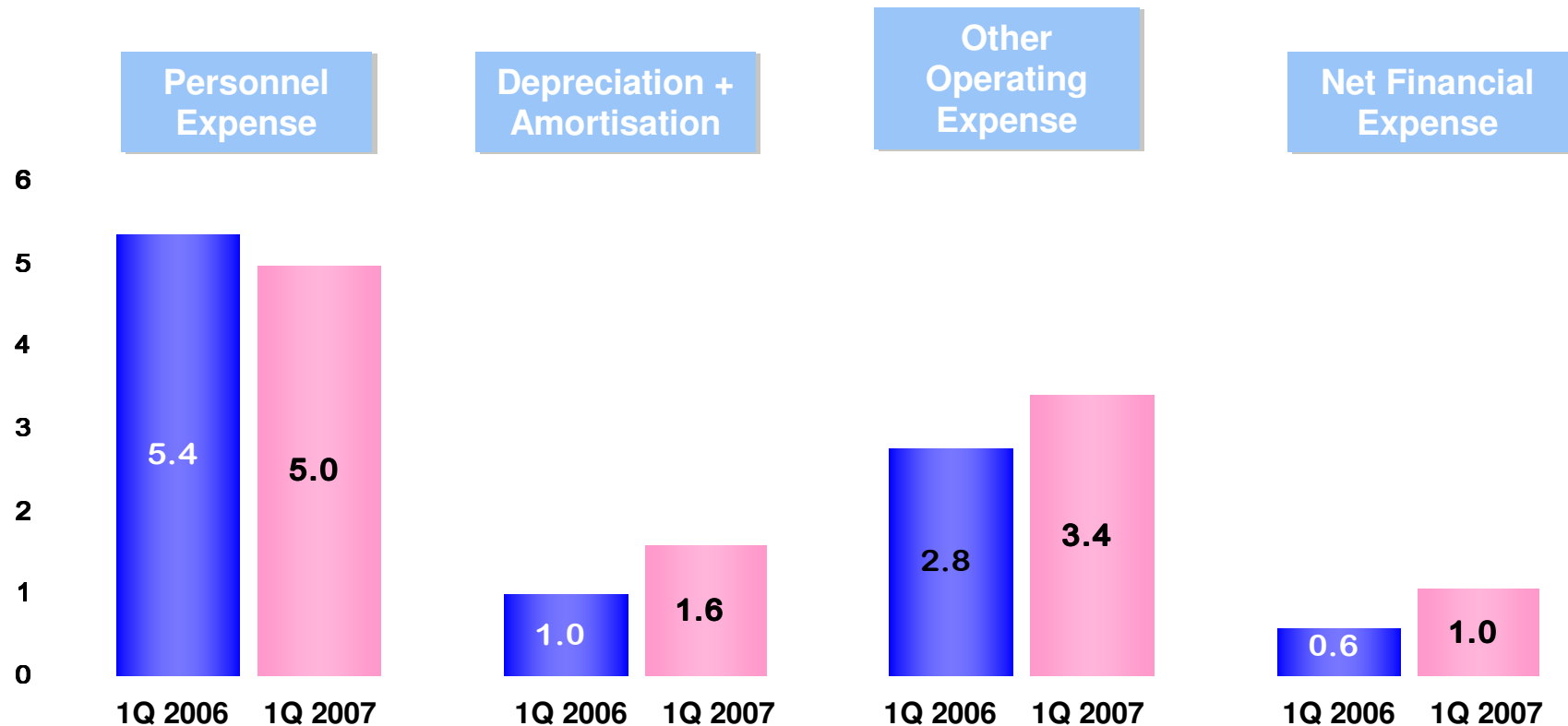


# Revenue by Country

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# Personnel, COS and others



## Higher Cost & Expenses

➤ To support Growth & Expansion Plan

# Healthy Balance Sheet

## Non-current assets

↓ S\$79.5m

### Non-current assets of S\$167.2m

- Decrease mainly due to divestment of SS desal plant
- Offset by increase in property, plant and equipment

## Working Capital

↑ S\$30.0m

### Working Capital of S\$122.1m

- Decrease of current assets mainly due to drop in cash and FD.
- Decrease in current liabilities mainly due to repayment of interest bearing loans

## Non-current liabilities

↓ S\$55.8m

### Non-current liabilities of S\$63.3m

- Decrease mainly due to divestment which resulted in reduction of interest bearing loan
- Offset by additional drawdown of bank loan

## Shareholders' Equity

↑ S\$6.1m

### Shareholders' Equity of S\$207.2m

- Increase mainly due to reversal of hedging reserve to P&L



# Healthy Cash Flow

Net cash used  
in operations

- **Net cash used in operations of S\$24.2m**
  - Higher advances/deposits to suppliers S\$15.5m
  - Unrealised revenue for 20% of SS disposal S\$4.0m
  - Increase in Trade receivables for 1Q2007 of S\$5.8m

Net cash  
generated from  
investing  
activities

- **Net cash generated from investing activities of S\$11.6m**
  - Proceeds from sale of SS S\$16.0m
  - Acquisition of property, plant and equipment of S\$1.9m
  - Increase in long term investment – Sinolac S\$1m

Net cash used in  
financing  
activities

- **Net cash used in financing activities of S\$10.9m**
  - Repayment of short-term loans S\$32.0m
  - Offset by drawdown of long-term loans S\$21.8m

➤ **CASH BALANCE : S\$32m**

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# Healthy Debt to Equity Ratio

Amts in S\$'million	Mar 07	Dec 06	Change
PF Loan	0.0	78.1	-78.1
Long Term	59.0	38.9	+20.1
Short Term	1.0	32.2	-31.2
Total Borrowings	60.0	149.2	-89.2
Less : Cash & cash equivalents	(32.1)	(55.8)	-23.7
<b>Net Borrowings</b>	<b>27.9</b>	<b>93.4</b>	<b>-65.5</b>
Net debt to equity ratio (including PF* Loan)	0.12	0.43	
Net debt to equity ratio (excluding PF* Loan)	Net Debt	Net Debt	

\* PF – Non-recourse project financing



**The End**

