HYFLUX LTD
Registration number : 200002722Z

Unaudited Financial Statements For The Financial Year Ended 31 December 2014

1 (a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Revenue	**321,394**	535,790	(40)
Other income	**169,999**	10,224	NM
Changes in inventories of finished goods and work-in-progress	**7,046**	8,501	(17)
Raw materials and consumables used and subcontractors' costs	**(170,981)**	(275,770)	(38)
Staff costs	**(75,183)**	(73,110)	3
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Other expenses	**(120,493)**	(79,034)	52
Finance costs	**(34,829)**	(27,519)	27
Share of losses of associates and joint ventures, net of income tax	**(11,313)**	(5,351)	NM
Profit before income tax	**53,060**	51,623	3
Tax credit/(expense)	**5,753**	(8,727)	NM
Profit for the year	**58,813**	42,896	37
Profit attributable to:			
Owners of the Company	**57,469**	44,026	31
Non-controlling interests	**1,344**	(1,130)	NM
Profit for the year	**58,813**	42,896	37

NM: Not Meaningful

1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014 S$'000	**2013 S$'000**	**Change %**
Profit for the year	**58,813**	42,896	37
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	**10,135**	15,257	(34)
Effective portion of changes in fair value of cash flow hedges	**(24,546)**	(883)	NM
Share of other comprehensive income of associates and joint ventures	**4,367**	18,405	(76)
Net change in fair value of cash flow hedges transferred to profit or loss	**(915)**	(6,065)	(85)
Realisation of foreign currency translation to profit or loss	**(163)**	-	NM
Effect of changes in control of consolidated entities	**-**	(1,142)	NM
Liquidation of subsidiaries	**-**	4	NM
Other comprehensive income for the year, net of income tax	**(11,122)**	25,576	NM
Total comprehensive income for the year	**47,691**	68,472	(30)
Total comprehensive income attributable to:			
Owners of the Company	**46,622**	68,998	(32)
Non-controlling interests	**1,069**	(526)	NM
Total comprehensive income for the year	**47,691**	68,472	(30)

NM: Not Meaningful

NOTES TO CONSOLIDATED INCOME STATEMENT

1 (a)(iii) Profit before income tax of the Group is arrived at after (charging)/crediting the following: -

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Allowance for inventory obsolescence	**(989)**	(109)	NM
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Finance costs	**(34,829)**	(27,519)	27
Financial receivables written off	**(2,886)**	(2,617)	10
Gain on disposal of subsidiaries	**-**	810	NM
Gain on disposal of an associate and a joint venture	**54,118**	-	NM
Gain/(loss) on sale of property, plant and equipment	**103,684**	(39)	NM
Impairment of trade and other receivables	**(28,069)**	(8,441)	NM
Intangible assets arising from service concession arrangements written off	**(990)**	-	NM
Interest income	**4,047**	2,318	75
(Loss)/gain on liquidation of subsidiaries	**(98)**	3	NM
Net foreign currency exchange loss	**(287)**	(2,974)	(90)
Property, plant and equipment written off	**(220)**	(10)	NM
Over/(under)provision of prior years' tax	**364**	(243)	NM

NM: Not Meaningful

1(b)(i) Statements of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Group		Company	
	31 Dec 14 S$'000	31 Dec 13 S$'000	31 Dec 14 S$'000	31 Dec 13 S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	**115,860**	180,439	**-**	-
Intangible assets	**28,093**	34,247	**-**	-
Intangible assets arising from service concession arrangements	**992,989**	800,185	**-**	-
Investments in subsidiaries	**-**	-	**181,198**	176,790
Investments in joint ventures	**233,846**	237,284	**-**	3,125
Investments in associates	**100,335**	105,118	**14,983**	14,535
Other investments	**18,562**	18,022	**630**	630
Financial receivables	**384,670**	383,250	**-**	-
Trade and other receivables	**19,041**	15,139	**791,173**	526,963
Deferred tax assets	**9,505**	1,951	**-**	-
	1,902,901	1,775,635	**987,984**	722,043
CURRENT ASSETS				
Gross amounts due for contract work	**94,410**	96,987	**-**	-
Inventories	**44,181**	34,643	**-**	-
Financial receivables	**10,558**	11,702	**-**	-
Trade and other receivables	**241,284**	233,593	**769,352**	719,593
Cash and cash equivalents	**444,428**	243,945	**203,243**	68,576
Asset held for sale	**3,953**	-	**-**	-
	838,814	620,870	**972,595**	788,169
CURRENT LIABILITIES				
Trade and other payables	**229,879**	218,931	**70,364**	24,320
Loans and borrowings	**153,464**	128,999	**92,257**	65,957
Tax payable	**7,285**	11,928	**3,699**	7,098
	390,628	359,858	**166,320**	97,375
Net current assets	**448,186**	261,012	**806,275**	690,794
NON-CURRENT LIABILITIES				
Trade and other payables, including derivatives	**29,275**	7,199	**-**	-
Loans and borrowings	**979,331**	1,137,980	**618,792**	737,452
Deferred tax liabilities	**493**	5,176	**-**	-
	1,009,099	1,150,355	**618,792**	737,452
Net assets	**1,341,988**	886,292	**1,175,467**	675,385

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (cont'd)

	Group		Company	
	31 Dec 14 S$'000	**31 Dec 13 S$'000**	**31 Dec 14 S$'000**	**31 Dec 13 S$'000**
EQUITY				
Share capital	**607,258**	606,887	**607,258**	606,887
Perpetual capital securities	**469,096**	-	**469,096**	-
Reserve for own shares	**(61,936)**	(51,484)	**(61,936)**	(51,484)
Capital reserve	**10,043**	7,560	**5,402**	2,919
Foreign currency translation reserve	**14,029**	(101)	**-**	-
Hedging reserve	**(29,728)**	(4,751)	**-**	-
Employees' share option reserve	**24,755**	24,186	**24,755**	24,186
Retained earnings	**303,664**	300,277	**130,892**	92,877
Total equity attributable to owners of the Company	**1,337,181**	882,574	**1,175,467**	675,385
Non-controlling interests	**4,807**	3,718	**-**	-
Total equity	**1,341,988**	886,292	**1,175,467**	675,385
Group net borrowings (S$)	**688,367**	1,023,034	**n.a.**	n.a.
Group net gearing (times)	**0.51x**	1.15x	**n.a.**	n.a.

NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	**153,464**	2,000	126,999

(ii) Amount repayable after one year

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
226,614	**752,717**	271,781	866,199

Details of any collateral

As at 31 December 2014, secured bank loans of the Group are secured by specific project assets under project financing of a subsidiary.

As at 31 December 2013, secured bank loans of the Group are secured by a leasehold property and specific project assets under project financing of certain subsidiaries.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	**2013**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before income tax	**53,060**	51,623
Adjustments for:		
Allowance for inventory obsolescence	**989**	109
Amortisation of transaction costs related to borrowings	**582**	1,680
Depreciation, amortisation and impairment	**32,580**	42,108
Employees' share option expense	**569**	1,729
Finance costs	**34,829**	27,519
Financial receivables written off	**2,886**	2,617
Gain on disposal of subsidiaries	**-**	(810)
Gain on disposal of an associate and a joint venture	**(54,118)**	-
(Gain)/loss on sale of property, plant and equipment	**(103,684)**	39
Impairment of trade and other receivables	**28,069**	8,441
Intangible assets arising from service concession arrangements written off	**990**	-
Interest income	**(4,047)**	(2,318)
Loss/(gain) on liquidation of subsidiaries	**98**	(3)
Property, plant and equipment written off	**220**	10
Share of losses of associates and joint ventures, net of income tax	**11,313**	5,351
	4,336	138,095
Change in inventories	**(10,534)**	(4,620)
Change in gross amounts due for contract work	**2,577**	13,175
Change in trade and other receivables	**(20,252)**	(36,450)
Change in trade and other payables	**8,836**	(64,573)
Cash (used in)/from operating activities before service concession arrangement projects	**(15,037)**	45,627
Change in financial receivables from service concession arrangements	**(3,163)**	(33,369)
Change in intangible assets arising from service concession arrangements	**(198,916)**	(427,848)
Cash used in operating activities after service concession arrangement projects	**(217,116)**	(415,590)
Income tax paid	**(9,017)**	(6,841)
Net cash used in operating activities	**(226,133)**	(422,431)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Group	
	2014	2013
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of intangible assets	**(1,945)**	(6,762)
Acquisition of property, plant and equipment	**(11,855)**	(6,704)
Acquisition of other investments	**(515)**	-
Additional investments in an associate	**(8,589)**	-
Additional investments in a joint venture	**(206)**	(964)
Deposits received	**5,565**	-
Dividends received from associates	**6,238**	1,620
Effect of changes in control of consolidated entities	**-**	(14,714)
Interest received	**3,287**	1,204
Loans to a joint venture	**(18,660)**	-
Net cash outflow on liquidation of subsidiaries	**-**	(167)
Net proceeds from disposal of an associate and a joint venture	**63,432**	-
Net proceeds from sale of property, plant and equipment	**169,536**	70
Net cash from/(used in) investing activities	**206,288**	(26,417)
Cash flows from financing activities		
Dividends paid	**(51,579)**	(50,437)
Dividends paid to non-controlling interests of subsidiaries	**-**	(1,048)
Decrease in deposits pledged	**1,832**	4,964
Interest paid	**(51,227)**	(38,737)
Net proceeds from perpetual capital securities issued	**469,096**	-
Proceeds from borrowings	**66,981**	704,807
Proceeds from exercise of share options	**371**	1,691
Purchases of treasury shares	**(10,452)**	-
Repayment of borrowings	**(214,834)**	(453,204)
Net cash from financing activities	**210,188**	168,036
Net increase/(decrease) in cash and cash equivalents	**190,343**	(280,812)
Cash and cash equivalents at beginning of the year	**182,585**	449,015
Effect of exchange rate fluctuations on cash held	**9,116**	14,382
Cash and cash equivalents at end of the year [Note 1(c)(i)]	**382,044**	182,585

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1(c)(i) Cash and cash equivalents included in consolidated statement of cash flows comprise of the following:

	Group	
	31 Dec 2014	31 Dec 2013
	S$'000	S$'000
Cash and cash equivalents as per statement of financial position	**444,428**	243,945
Less: Bank overdraft	**(56,658)**	(59,217)
Less: Deposits pledged	**(5,726)**	(2,143)
Cash and cash equivalents as per statement of cash flows	**382,044**	182,585

1 (d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	7,560	(101)	(4,751)	24,186	300,277	882,574	3,718	886,292
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	57,469	57,469	1,344	58,813
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	-	10,410	-	-	-	10,410	(275)	10,135
Realisation of foreign currency translation to profit or loss	-	-	-	-	(163)	-	-	-	(163)	-	(163)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(24,546)	-	-	(24,546)	-	(24,546)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	(915)	-	-	(915)	-	(915)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	3,883	484	-	-	4,367	-	4,367
Total comprehensive income for the year	-	-	-	-	14,130	(24,977)	-	57,469	46,622	1,069	47,691
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	(51,579)	(51,579)	-	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	-	-	469,096	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	-	-	371	-	371
Own shares acquired	-	-	(10,452)	-	-	-	-	-	(10,452)	-	(10,452)
Value of employee services received for issue of share options	-	-	-	-	-	-	569	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	-	-	(2,483)	-	-	-
Total contributions by and distributions to owners	371	469,096	(10,452)	2,483	-	-	569	(54,062)	408,005	-	408,005
Changes in ownership interest in subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	(20)	(20)	20	-
Total transactions with owners	371	469,096	(10,452)	2,483	-	-	569	(54,082)	407,985	20	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**10,043**	**14,029**	**(29,728)**	**24,755**	**303,664**	**1,337,181**	**4,807**	**1,341,988**

STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)

	Share capital	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2013	605,196	(51,484)	9,094	(30,480)	656	22,457	305,154	860,593	16,436	877,029
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	44,026	44,026	(1,130)	42,896
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	14,321	-	-	-	14,321	936	15,257
Effect of changes in control of consolidated entities	-	-	-	(810)	-	-	-	(810)	(332)	(1,142)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(883)	-	-	(883)	-	(883)
Liquidation of subsidiaries	-	-	-	4	-	-	-	4	-	4
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Share of reserve of joint ventures	-	-	(20)	-	-	-	20	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	16,864	1,541	-	-	18,405	-	18,405
Total comprehensive income for the year	-	-	(20)	30,379	(5,407)	-	44,046	68,998	(526)	68,472
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	(50,437)	(50,437)	-	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	-	1,691	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	-	1,729	-	1,729	-	1,729
Transfer to capital reserve	-	-	1,061	-	-	-	(1,061)	-	-	-
	1,691	-	1,061	-	-	1,729	(51,498)	(47,017)	-	(47,017)
Changes in ownership interest in subsidiaries										
Effect of changes in control of consolidated entities	-	-	(2,575)	-	-	-	2,575	-	(12,192)	(12,192)
Total transactions with owners	1,691	-	(1,514)	-	-	1,729	(48,923)	(47,017)	(12,192)	(59,209)
At 31.12.2013	**606,887**	**(51,484)**	**7,560**	**(101)**	**(4,751)**	**24,186**	**300,277**	**882,574**	**3,718**	**886,292**

1 (d)(i) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	2,919	24,186	92,877	675,385
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	92,077	92,077
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(51,579)	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	371
Own shares acquired	-	-	(10,452)	-	-	-	(10,452)
Value of employee services received for issuance of share options	-	-	-	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	(2,483)	-
Total transactions with owners	371	469,096	(10,452)	2,483	569	(54,062)	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**5,402**	**24,755**	**130,892**	**1,175,467**
At 1.1.2013	605,196	-	(51,484)	1,858	22,457	88,007	666,034
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	56,368	56,368
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(50,437)	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	1,729	-	1,729
Transfer to capital reserve	-	-	-	1,061	-	(1,061)	-
Total transactions with owners	1,691	-	-	1,061	1,729	(51,498)	(47,017)
At 31.12.2013	**606,887**	-	**(51,484)**	**2,919**	**24,186**	**92,877**	**675,385**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movements in the Company's issued and fully paid-up share capital during the fourth quarter ended 31 December 2014 were as follows:

Issued share capital

	No. of shares	Amount S$'000
Ordinary shares		
At 1 October 2014	827,384,989	163,205
Less: Purchase of treasury shares	(10,400,000)	(10,452)
At 31 December 2014	816,984,989	152,753
Preference shares		
At 1 October 2014 and 31 December 2014	4,000,000	392,569
Issued share capital at 31 December 2014 *(Note A)*		545,322

As at 31 December 2014, the number of ordinary shares in issue were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

The total number of issued 6% Cumulative Non-convertible Non-voting Perpetual Class A Preference Shares (preference shares) as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

Note A:

Per Balance Sheet	S$'000
- Share capital	607,258
- Reserve for own shares	(61,936)
Issued share capital as at 31 December 2014	545,322

Outstanding share options under the Scheme

	No. of options
At 1 January 2014	39,297,750
Options granted	3,030,000
Options granted but not accepted	(50,000)
Exercised/Forfeited	(6,717,500)
At 31 December 2014	35,560,250

As at 31 December 2014, the number of outstanding share options under the Schemes were 35,560,250 (31 December 2013: 39,297,750).

Perpetual capital securities

	Amount S$'000
At 1 October and 31 December 2014	469,096

As at 31 December 2014, perpetual capital securities comprised $300 mil issued at 5.75% per annum and $175 mil issued at 4.80% per annum (31 December 2013: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 December 2014 were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial year ended 31 December 2014. The total number of issued preference shares as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

In 2014, the Company issued perpetual capital securities amounting to $475 mil (31 December 2013: nil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company has reviewed the application of the new/revised FRS and Interpretations of FRS that are effective for the financial year beginning on 1 January 2014. Those new/revised FRS and Interpretations of FRS did not result in any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2014	2013	Change %
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-			
Based on the weighted average number of ordinary shares in issue	1.66 cts	2.42 cts	(31.4)
- Weighted average number of shares	824,833,989	826,216,677	(0.2)
On a fully diluted basis of ordinary shares	1.66 cts	2.42 cts	(31.4)
- Adjusted weighted average number of shares	825,038,717	826,761,402	(0.2)

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net assets value per ordinary share:

	Group		Company	
	31 Dec 14 Cents	31 Dec 13 Cents	31 Dec 14 Cents	31 Dec 13 Cents
Based on 816,984,989 (31 December 2013: 827,007,989) ordinary shares in issue	56.6	58.4	36.8	33.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a)(i) Revenue and earnings

The Group achieved profit attributable to the shareholders of the Company (PATMI) of $57.5 mil for the financial year ended 31 December 2014 (FY2014), an increase from $44.0 mil for the financial year ended 31 December 2013 (FY2013). Total revenue for FY2014 was $321.4 mil, a 40% decline from FY2013 of $535.8 mil mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. On gross profits, the Group reported $157.5 mil in FY2014 compared to $268.5 mil in FY2013.

In FY2014, the Group entered into a sale and leaseback agreement on its building, Hyflux Innovation Centre (HIC); and disposed of its investments in Hyflux Marmon Development Pte Ltd, a joint venture, as well as Marmon Hyflux Investments Pte Ltd, an associate (collectively as Marmon entities), to Marmon Water (Singapore) Pte Ltd, recognising gains amounting to $103.8 mil and $54.1 mil, respectively. In the last quarter of the year, the Group received confirmation on the capital gain treatment from the tax authority relating to the sale and leaseback of HIC building. Accordingly, taxes previously accrued were reversed adding to the gain on the sale and leaseback of HIC building. These were collectively reported in Other Income of $170.0 mil and contributed to the increase from $10.2 mil in FY2013.

Basic and diluted earnings per share was 1.66 cents for FY2014 (adjusted for dividends on preference shares and perpetual capital securities), compared to the basic and diluted earnings per share of 2.42 cents for FY2013 (adjusted for dividends on preference shares).

Sector Review

Municipal sector continued to be the main contributor to the Group's revenue, accounting for 84% of the total revenue in FY2014. For FY2013, the municipal sector contributed 93%.

Revenue from the industrial sector made up 14% of the Group's revenue in FY2014, increased from 5% in FY2013 as the Group focused on the design and supply of technology packages for various water treatment solutions.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 72% and 83% of the Group's total revenues in FY2014 and FY2013 respectively.

The Group's China market contributed 15% to the total revenue in FY2014, an increase from 9% in FY2013.

Revenue from MENA accounted for 7% in FY2014, an increase from 4% in FY2013.

8(a)(ii) Costs and expenses

Direct costs decreased from $267.3 mil in FY2013 to $163.9 mil in FY2014 in line with revenue.

Staff costs increased marginally from $73.1 mil in FY2013 to $75.2 mil in FY2014.

Depreciation, amortisation and impairment decreased from $42.1 mil in FY2013 to $32.6 mil in FY2014. Higher impairment charges relating to non-core businesses and assets as well as deconsolidation of a subsidiary contributed to higher costs in FY2013.

Finance costs increased by 27% from $27.5 mil in FY2013 to $34.8 mil in FY2014 mainly relating to the financing of the Group's assets under development, the Tuaspring power plant.

Other expenses increased from $79.0 mil in FY2013 to $120.5 mil in FY2014, primarily due to utility charges for the Tuaspring desalination plant (which commenced its operation in September 2013) as a result of the delay in the national grid connection to our power plant, and provisions made against receivables.

Share of losses of associates and joint ventures increased from $5.4 mil to $11.3 mil reflecting lower than expected plant utilisation rates compared to designed capacity.

The Group recorded a net income tax credit of $5.8 mil for FY2014 due mainly to recognition of tax losses available for future utilisation of certain entities as well as reversal of provision relating to prior years.

8(b) Statements of Financial Position Analysis

8(b)(i) The Group

The Group's shareholders' equity increased from $882.6 mil as at 31 December 2013 to $1,337.2 mil as at 31 December 2014. Both perpetual capital securities issuance in January and July 2014 totalling $475.0 mil; and foreign operations translation gains arising from the strengthening of Chinese Renminbi and US Dollars against Singapore dollars contributed to the overall increase in equity base. The increase was, however, lowered by marked-to-market effect of interest rate swaps relating to the Group's floating rate loan, dividends for the year as well as purchase of treasury shares. The Group purchased 10.4 mil treasury shares for a total cost of $10.5 mil during the year.

Current assets increased from $620.9 mil as at 31 December 2013 to $838.8 mil as at 31 December 2014 mainly contributed by the net proceeds from the issuance of perpetual capital securities and divestments during the year. As at 31 December 2014, a leasehold property with carrying value of $4.0 mil was reclassified to asset held for sale pursuant to sale and purchase agreements entered into by the Group with third party. The sale was completed subsequent to year-end upon satisfaction of conditions precedent and legal title transfers.

Non-current assets increased from $1,775.6 mil as at 31 December 2013 to $1,902.9 mil as at 31 December 2014, mainly from the Group's continuing investments in service concession projects and deferred tax assets recognised, offset by the disposal of HIC.

The Group reported an increase in current liabilities from $359.9 mil as at 31 December 2013 to $390.6 mil as at 31 December 2014. Included in the current liabilities was a fixed-rate unsecured notes issued under the Group's Multicurrency Debt Issuance Programme amounting to $75 mil that will become payable in March 2015. The amount was reclassified from long-term borrowings as at year-end.

Non-current liabilities recorded a corresponding decrease from $1,150.4 mil as at 31 December 2013 to $1,009.1 mil as at 31 December 2014 primarily due to the reclassification mentioned above as well as repayment of borrowings during the year. As at 31 December 2014, fixed-rate unsecured notes amounting to $419.1 mil will mature between 2016 and 2019.

The Group's net gearing ratio improved to 0.51 times as at 31 December 2014 from 1.15 times as at 31 December 2013.

8(b)(ii) The Company

The Company's shareholders' equity increased from $675.4 mil as at 31 December 2013 to $1,175.5 mil as at 31 December 2014 mainly contributed by the issuance of perpetual capital securities and divestment of Hyflux Marmon Development Pte Ltd. Its equity base was offset by dividends totalling $51.6 mil during the year and purchase of treasury shares.

8(c) Statement of Cash flows

The Group's overall cash position increased from $243.9 mil as at 31 December 2013 to $444.4 mil as at 31 December 2014.

In FY2014, net cash of $226.1 mil was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash outflows from the Group's operating activities were $15.0 mil.

Cash generated from investing activities of $206.3 mil in FY2014 was largely contributed by net proceeds from the sale and leaseback of HIC as well as disposals of investments in Marmon entities. This was offset by loans to a joint venture, acquisition of property, plant and equipment, and additional capital injection into Tahlyat Myah Magtaa SPA (TMM), the Group's 47% associate.

The issuance of $475 mil perpetual capital securities in aggregate in January and July 2014 contributed to the net financing inflows in FY2014. The inflow was offset by repayment of borrowings including one of its fixed-rate unsecured notes of $60.0 mil; payments of dividends on ordinary shares, preference shares and perpetual capital securities; and interest costs. Proceeds from the issuance of perpetual capital securities are used for continued strategic investments by the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In December 2014, Hyflux was successful in our tender for a contract worth US$250 million to design, build, own and operate an independent water project in Qurayyat, Sultanate of Oman. The Group is on track to signing the Water Purchase Agreement ("WPA") and construction activities will start upon signing of the WPA.

Including the Qurayyat project's engineering, procurement and construction work which is worth US$210 million, the Group's order book stood at $2.9 billion as at year-end, comprising $954 million in EPC projects and $2.0 billion in operations and maintenance contracts.

In Singapore, Hyflux has completed construction of the 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant. It is expected to be connected to the national grid in the second half of 2015 after a period of prolonged delay in the grid connection. Following the connection, there will be a period of testing which will have operating cost implications.

Progress to achieve financial close for the Dahej desalination project in Gujarat, India has been slower than anticipated. The Group continues to work closely with our partners to drive the project forward.

The Group is cautiously optimistic about the rebound in the water industry in 2015 amidst a weaker oil price environment. While the first half is likely to be slow, the Group expects a pick-up in the second half. There may also be some opportunities in asset divestment during the year. The Group will continue to focus on capturing growth opportunities in its key markets.

The Group is actively pursuing municipal and industrial projects in selective markets in the Middle East, Africa, Asia and the Americas. In addition, the Group will seek opportunities in infrastructure development projects in Africa and Asia where it can offer value through integrated water and power solutions.

11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(c) Date payable.

Subject to shareholders' approval at the Annual General Meeting to be held on 29 April 2015, the dividend will be paid on 25 May 2015.

(d) Books closure date.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2015 for the preparation of dividend warrants.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 11 May 2015 will be registered to determine shareholders' entitlement to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 11 May 2015 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Operating segments

Information about reportable segments

	Municipal		Industrial		All other segments		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
External revenues	**269,868**	499,876	**46,410**	28,646	**5,116**	7,268	**321,394**	535,790
Inter-segment revenue	**43**	2,109	**-**	-	**4,567**	9,015	**4,610**	11,124
Interest income	**2,019**	1,557	**35**	674	**16**	-	**2,070**	2,231
Finance costs	**(20,527)**	(11,925)	**(49)**	-	**(588)**	(1,242)	**(21,164)**	(13,167)
Depreciation, amortisation and impairment	**(10,894)**	(5,077)	**(14,121)**	(24,626)	**(2,555)**	(3,322)	**(27,570)**	(33,025)
Reportable segment (loss)/profit before income tax	**(26,219)**	102,409	**(46,030)**	(19,851)	**153,319***	(2,236)	**81,070**	80,322
Share of (loss)/profit of associates and joint ventures, net of income tax	**(9,383)**	(3,585)	**(1,961)**	(4,039)	**31**	2,273	**(11,313)**	(5,351)
Tax credits/(expenses)	**7,594**	(3,928)	**(44)**	(451)	**(1,797)**	(4,348)	**5,753**	(8,727)
Operating lease expenses	**(14,670)**	(14,821)	**(3,472)**	(262)	**(620)**	(1,100)	**(18,762)**	(16,183)
Contribution to defined contribution plan, included in staff cost	**(4,803)**	(4,832)	**(911)**	(986)	**(266)**	(362)	**(5,980)**	(6,180)
Reportable segment assets	**2,028,524**	1,743,328	**161,399**	146,593	**45,093**	105,332	**2,235,016**	1,995,253
Investments in joint ventures	**233,846**	236,310	**-**	-	**-**	974	**233,846**	237,284
Investments in associates	**100,335**	95,224	**-**	1,985	**-**	7,909	**100,335**	105,118
Capital expenditure	**6,112**	3,102	**4,508**	96	**2,199**	1,117	**12,819**	4,315
Reportable segment liabilities	**994,952**	882,102	**25,578**	13,319	**38,965**	75,629	**1,059,495**	971,050

* Included gain from sale and leaseback of HIC building of $103.8 mil and gain on divestments of Marmon entities of $54.1 mil.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014 S$'000	2013 S$'000
Revenues		
Total revenue for reportable segments	**316,278**	528,522
Revenue for all other segments	**5,116**	7,268
Consolidated revenue	**321,394**	535,790
Profit or loss		
Total profit or loss for reportable segments	**(72,249)**	82,558
Profit or loss for all other segments	**153,319**	(2,236)
	81,070	80,322
Unallocated corporate expenses	**(16,697)**	(23,348)
Share of loss of associates and joint ventures, net of income tax	**(11,313)**	(5,351)
Consolidated profit before income tax	**53,060**	51,623
Assets		
Total assets for reportable segments	**2,189,923**	1,889,921
Assets for all other segments	**45,093**	105,332
Investments in associates and joint ventures	**334,181**	342,402
Other unallocated amounts	**172,518**	58,850
Consolidated total assets	**2,741,715**	2,396,505
Liabilities		
Total liabilities for reportable segments	**1,020,530**	895,421
Liabilities for all other segments	**38,965**	75,629
Other unallocated amounts	**340,232**	539,163
Consolidated total liabilities	**1,399,727**	1,510,213

Other material items in 2014

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	**2,070**	**1,977**	**4,047**
Finance costs	**(21,164)**	**(13,665)**	**(34,829)**
Capital expenditure	**12,819**	**1,446**	**14,265**
Depreciation, amortisation and impairment	**(27,570)**	**(5,010)**	**(32,580)**

Other material items in 2013

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	2,231	87	2,318
Finance costs	(13,167)	(14,352)	(27,519)
Capital expenditure	4,315	10,272	14,587
Depreciation, amortisation and impairment	(33,025)	(9,083)	(42,108)

Geographical information

31 December 2014

	Revenues S$'000	Non-current assets S$'000
Singapore	**232,557**	**1,335,339**
Middle East and North Africa	**21,232**	**80,152**
People's Republic of China	**47,919**	**486,032**
Others	**19,686**	**1,378**
	321,394	**1,902,901**

31 December 2013

	Revenues S$'000 Restated	Non-current assets S$'000 Restated
Singapore	445,112	1,197,919
Middle East and North Africa	22,349	82,614
People's Republic of China	47,276	493,865
Others	21,053	1,237
	535,790	1,775,635

14. Breakdown of sales

	2014 S$'000	2013 S$'000	Increase/ (decrease)
Sales reported for the first half year	**168,962**	262,928	(36)
Profit after tax before non-controlling interests reported for the first half year	**99,360**	25,205	NM
Sales reported for the second half year	**152,432**	272,862	(44)
(Loss)/profit after tax before non-controlling interests reported for the second half year	**(40,547)**	17,691	NM

15. Breakdown of total annual dividend (In dollar value).

	Latest Full Year (2014) S$'000	Previous Full Year (2013) S$'000
Ordinary	**19,026**	26,437
Preference shares	**24,000**	24,000
Perpetual capital securities	**8,553**	-
Total	**51,579**	50,437

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
27 February 2015

HYFLUX LTD
Registration number : 200002722Z

Unaudited Financial Statements For The Financial Year Ended 31 December 2014

1 (a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Revenue	**321,394**	535,790	(40)
Other income	**169,999**	10,224	NM
Changes in inventories of finished goods and work-in-progress	**7,046**	8,501	(17)
Raw materials and consumables used and subcontractors' costs	**(170,981)**	(275,770)	(38)
Staff costs	**(75,183)**	(73,110)	3
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Other expenses	**(120,493)**	(79,034)	52
Finance costs	**(34,829)**	(27,519)	27
Share of losses of associates and joint ventures, net of income tax	**(11,313)**	(5,351)	NM
Profit before income tax	**53,060**	51,623	3
Tax credit/(expense)	**5,753**	(8,727)	NM
Profit for the year	**58,813**	42,896	37
Profit attributable to:			
Owners of the Company	**57,469**	44,026	31
Non-controlling interests	**1,344**	(1,130)	NM
Profit for the year	**58,813**	42,896	37

NM: Not Meaningful

1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014 S$'000	**2013 S$'000**	**Change %**
Profit for the year	**58,813**	42,896	37
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	**10,135**	15,257	(34)
Effective portion of changes in fair value of cash flow hedges	**(24,546)**	(883)	NM
Share of other comprehensive income of associates and joint ventures	**4,367**	18,405	(76)
Net change in fair value of cash flow hedges transferred to profit or loss	**(915)**	(6,065)	(85)
Realisation of foreign currency translation to profit or loss	**(163)**	-	NM
Effect of changes in control of consolidated entities	**-**	(1,142)	NM
Liquidation of subsidiaries	**-**	4	NM
Other comprehensive income for the year, net of income tax	**(11,122)**	25,576	NM
Total comprehensive income for the year	**47,691**	68,472	(30)
Total comprehensive income attributable to:			
Owners of the Company	**46,622**	68,998	(32)
Non-controlling interests	**1,069**	(526)	NM
Total comprehensive income for the year	**47,691**	68,472	(30)

NM: Not Meaningful

NOTES TO CONSOLIDATED INCOME STATEMENT

1 (a)(iii) Profit before income tax of the Group is arrived at after (charging)/crediting the following: -

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Allowance for inventory obsolescence	**(989)**	(109)	NM
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Finance costs	**(34,829)**	(27,519)	27
Financial receivables written off	**(2,886)**	(2,617)	10
Gain on disposal of subsidiaries	**-**	810	NM
Gain on disposal of an associate and a joint venture	**54,118**	-	NM
Gain/(loss) on sale of property, plant and equipment	**103,684**	(39)	NM
Impairment of trade and other receivables	**(28,069)**	(8,441)	NM
Intangible assets arising from service concession arrangements written off	**(990)**	-	NM
Interest income	**4,047**	2,318	75
(Loss)/gain on liquidation of subsidiaries	**(98)**	3	NM
Net foreign currency exchange loss	**(287)**	(2,974)	(90)
Property, plant and equipment written off	**(220)**	(10)	NM
Over/(under)provision of prior years' tax	**364**	(243)	NM

NM: Not Meaningful

1(b)(i) Statements of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Group		Company	
	31 Dec 14 S$'000	31 Dec 13 S$'000	31 Dec 14 S$'000	31 Dec 13 S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	**115,860**	180,439	**-**	-
Intangible assets	**28,093**	34,247	**-**	-
Intangible assets arising from service concession arrangements	**992,989**	800,185	**-**	-
Investments in subsidiaries	**-**	-	**181,198**	176,790
Investments in joint ventures	**233,846**	237,284	**-**	3,125
Investments in associates	**100,335**	105,118	**14,983**	14,535
Other investments	**18,562**	18,022	**630**	630
Financial receivables	**384,670**	383,250	**-**	-
Trade and other receivables	**19,041**	15,139	**791,173**	526,963
Deferred tax assets	**9,505**	1,951	**-**	-
	1,902,901	1,775,635	**987,984**	722,043
CURRENT ASSETS				
Gross amounts due for contract work	**94,410**	96,987	**-**	-
Inventories	**44,181**	34,643	**-**	-
Financial receivables	**10,558**	11,702	**-**	-
Trade and other receivables	**241,284**	233,593	**769,352**	719,593
Cash and cash equivalents	**444,428**	243,945	**203,243**	68,576
Asset held for sale	**3,953**	-	**-**	-
	838,814	620,870	**972,595**	788,169
CURRENT LIABILITIES				
Trade and other payables	**229,879**	218,931	**70,364**	24,320
Loans and borrowings	**153,464**	128,999	**92,257**	65,957
Tax payable	**7,285**	11,928	**3,699**	7,098
	390,628	359,858	**166,320**	97,375
Net current assets	**448,186**	261,012	**806,275**	690,794
NON-CURRENT LIABILITIES				
Trade and other payables, including derivatives	**29,275**	7,199	**-**	-
Loans and borrowings	**979,331**	1,137,980	**618,792**	737,452
Deferred tax liabilities	**493**	5,176	**-**	-
	1,009,099	1,150,355	**618,792**	737,452
Net assets	**1,341,988**	886,292	**1,175,467**	675,385

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (cont'd)

	Group		Company	
	31 Dec 14 S$'000	**31 Dec 13 S$'000**	**31 Dec 14 S$'000**	**31 Dec 13 S$'000**
EQUITY				
Share capital	**607,258**	606,887	**607,258**	606,887
Perpetual capital securities	**469,096**	-	**469,096**	-
Reserve for own shares	**(61,936)**	(51,484)	**(61,936)**	(51,484)
Capital reserve	**10,043**	7,560	**5,402**	2,919
Foreign currency translation reserve	**14,029**	(101)	**-**	-
Hedging reserve	**(29,728)**	(4,751)	**-**	-
Employees' share option reserve	**24,755**	24,186	**24,755**	24,186
Retained earnings	**303,664**	300,277	**130,892**	92,877
Total equity attributable to owners of the Company	**1,337,181**	882,574	**1,175,467**	675,385
Non-controlling interests	**4,807**	3,718	**-**	-
Total equity	**1,341,988**	886,292	**1,175,467**	675,385
Group net borrowings (S$)	**688,367**	1,023,034	**n.a.**	n.a.
Group net gearing (times)	**0.51x**	1.15x	**n.a.**	n.a.

NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	**153,464**	2,000	126,999

(ii) Amount repayable after one year

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
226,614	**752,717**	271,781	866,199

Details of any collateral

As at 31 December 2014, secured bank loans of the Group are secured by specific project assets under project financing of a subsidiary.

As at 31 December 2013, secured bank loans of the Group are secured by a leasehold property and specific project assets under project financing of certain subsidiaries.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	**2013**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before income tax	**53,060**	51,623
Adjustments for:		
Allowance for inventory obsolescence	**989**	109
Amortisation of transaction costs related to borrowings	**582**	1,680
Depreciation, amortisation and impairment	**32,580**	42,108
Employees' share option expense	**569**	1,729
Finance costs	**34,829**	27,519
Financial receivables written off	**2,886**	2,617
Gain on disposal of subsidiaries	**-**	(810)
Gain on disposal of an associate and a joint venture	**(54,118)**	-
(Gain)/loss on sale of property, plant and equipment	**(103,684)**	39
Impairment of trade and other receivables	**28,069**	8,441
Intangible assets arising from service concession arrangements written off	**990**	-
Interest income	**(4,047)**	(2,318)
Loss/(gain) on liquidation of subsidiaries	**98**	(3)
Property, plant and equipment written off	**220**	10
Share of losses of associates and joint ventures, net of income tax	**11,313**	5,351
	4,336	138,095
Change in inventories	**(10,534)**	(4,620)
Change in gross amounts due for contract work	**2,577**	13,175
Change in trade and other receivables	**(20,252)**	(36,450)
Change in trade and other payables	**8,836**	(64,573)
Cash (used in)/from operating activities before service concession arrangement projects	**(15,037)**	45,627
Change in financial receivables from service concession arrangements	**(3,163)**	(33,369)
Change in intangible assets arising from service concession arrangements	**(198,916)**	(427,848)
Cash used in operating activities after service concession arrangement projects	**(217,116)**	(415,590)
Income tax paid	**(9,017)**	(6,841)
Net cash used in operating activities	**(226,133)**	(422,431)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Group	
	2014	2013
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of intangible assets	**(1,945)**	(6,762)
Acquisition of property, plant and equipment	**(11,855)**	(6,704)
Acquisition of other investments	**(515)**	-
Additional investments in an associate	**(8,589)**	-
Additional investments in a joint venture	**(206)**	(964)
Deposits received	**5,565**	-
Dividends received from associates	**6,238**	1,620
Effect of changes in control of consolidated entities	**-**	(14,714)
Interest received	**3,287**	1,204
Loans to a joint venture	**(18,660)**	-
Net cash outflow on liquidation of subsidiaries	**-**	(167)
Net proceeds from disposal of an associate and a joint venture	**63,432**	-
Net proceeds from sale of property, plant and equipment	**169,536**	70
Net cash from/(used in) investing activities	**206,288**	(26,417)
Cash flows from financing activities		
Dividends paid	**(51,579)**	(50,437)
Dividends paid to non-controlling interests of subsidiaries	**-**	(1,048)
Decrease in deposits pledged	**1,832**	4,964
Interest paid	**(51,227)**	(38,737)
Net proceeds from perpetual capital securities issued	**469,096**	-
Proceeds from borrowings	**66,981**	704,807
Proceeds from exercise of share options	**371**	1,691
Purchases of treasury shares	**(10,452)**	-
Repayment of borrowings	**(214,834)**	(453,204)
Net cash from financing activities	**210,188**	168,036
Net increase/(decrease) in cash and cash equivalents	**190,343**	(280,812)
Cash and cash equivalents at beginning of the year	**182,585**	449,015
Effect of exchange rate fluctuations on cash held	**9,116**	14,382
Cash and cash equivalents at end of the year [Note 1(c)(i)]	**382,044**	182,585

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1(c)(i) Cash and cash equivalents included in consolidated statement of cash flows comprise of the following:

	Group	
	31 Dec 2014	31 Dec 2013
	S$'000	S$'000
Cash and cash equivalents as per statement of financial position	**444,428**	243,945
Less: Bank overdraft	**(56,658)**	(59,217)
Less: Deposits pledged	**(5,726)**	(2,143)
Cash and cash equivalents as per statement of cash flows	**382,044**	182,585

1 (d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	7,560	(101)	(4,751)	24,186	300,277	882,574	3,718	886,292
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	57,469	57,469	1,344	58,813
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	-	10,410	-	-	-	10,410	(275)	10,135
Realisation of foreign currency translation to profit or loss	-	-	-	-	(163)	-	-	-	(163)	-	(163)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(24,546)	-	-	(24,546)	-	(24,546)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	(915)	-	-	(915)	-	(915)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	3,883	484	-	-	4,367	-	4,367
Total comprehensive income for the year	-	-	-	-	14,130	(24,977)	-	57,469	46,622	1,069	47,691
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	(51,579)	(51,579)	-	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	-	-	469,096	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	-	-	371	-	371
Own shares acquired	-	-	(10,452)	-	-	-	-	-	(10,452)	-	(10,452)
Value of employee services received for issue of share options	-	-	-	-	-	-	569	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	-	-	(2,483)	-	-	-
Total contributions by and distributions to owners	371	469,096	(10,452)	2,483	-	-	569	(54,062)	408,005	-	408,005
Changes in ownership interest in subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	(20)	(20)	20	-
Total transactions with owners	371	469,096	(10,452)	2,483	-	-	569	(54,082)	407,985	20	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**10,043**	**14,029**	**(29,728)**	**24,755**	**303,664**	**1,337,181**	**4,807**	**1,341,988**

STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)

	Share capital	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2013	605,196	(51,484)	9,094	(30,480)	656	22,457	305,154	860,593	16,436	877,029
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	44,026	44,026	(1,130)	42,896
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	14,321	-	-	-	14,321	936	15,257
Effect of changes in control of consolidated entities	-	-	-	(810)	-	-	-	(810)	(332)	(1,142)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(883)	-	-	(883)	-	(883)
Liquidation of subsidiaries	-	-	-	4	-	-	-	4	-	4
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Share of reserve of joint ventures	-	-	(20)	-	-	-	20	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	16,864	1,541	-	-	18,405	-	18,405
Total comprehensive income for the year	-	-	(20)	30,379	(5,407)	-	44,046	68,998	(526)	68,472
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	(50,437)	(50,437)	-	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	-	1,691	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	-	1,729	-	1,729	-	1,729
Transfer to capital reserve	-	-	1,061	-	-	-	(1,061)	-	-	-
	1,691	-	1,061	-	-	1,729	(51,498)	(47,017)	-	(47,017)
Changes in ownership interest in subsidiaries										
Effect of changes in control of consolidated entities	-	-	(2,575)	-	-	-	2,575	-	(12,192)	(12,192)
Total transactions with owners	1,691	-	(1,514)	-	-	1,729	(48,923)	(47,017)	(12,192)	(59,209)
At 31.12.2013	**606,887**	**(51,484)**	**7,560**	**(101)**	**(4,751)**	**24,186**	**300,277**	**882,574**	**3,718**	**886,292**

1 (d)(i) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	2,919	24,186	92,877	675,385
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	92,077	92,077
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(51,579)	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	371
Own shares acquired	-	-	(10,452)	-	-	-	(10,452)
Value of employee services received for issuance of share options	-	-	-	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	(2,483)	-
Total transactions with owners	371	469,096	(10,452)	2,483	569	(54,062)	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**5,402**	**24,755**	**130,892**	**1,175,467**
At 1.1.2013	605,196	-	(51,484)	1,858	22,457	88,007	666,034
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	56,368	56,368
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(50,437)	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	1,729	-	1,729
Transfer to capital reserve	-	-	-	1,061	-	(1,061)	-
Total transactions with owners	1,691	-	-	1,061	1,729	(51,498)	(47,017)
At 31.12.2013	**606,887**	-	**(51,484)**	**2,919**	**24,186**	**92,877**	**675,385**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movements in the Company's issued and fully paid-up share capital during the fourth quarter ended 31 December 2014 were as follows:

Issued share capital

	No. of shares	Amount S$'000
Ordinary shares		
At 1 October 2014	827,384,989	163,205
Less: Purchase of treasury shares	(10,400,000)	(10,452)
At 31 December 2014	816,984,989	152,753
Preference shares		
At 1 October 2014 and 31 December 2014	4,000,000	392,569
Issued share capital at 31 December 2014 *(Note A)*		545,322

As at 31 December 2014, the number of ordinary shares in issue were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

The total number of issued 6% Cumulative Non-convertible Non-voting Perpetual Class A Preference Shares (preference shares) as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

Note A:

Per Balance Sheet	S$'000
- Share capital	607,258
- Reserve for own shares	(61,936)
Issued share capital as at 31 December 2014	545,322

Outstanding share options under the Scheme

	No. of options
At 1 January 2014	39,297,750
Options granted	3,030,000
Options granted but not accepted	(50,000)
Exercised/Forfeited	(6,717,500)
At 31 December 2014	35,560,250

As at 31 December 2014, the number of outstanding share options under the Schemes were 35,560,250 (31 December 2013: 39,297,750).

Perpetual capital securities

	Amount S$'000
At 1 October and 31 December 2014	469,096

As at 31 December 2014, perpetual capital securities comprised $300 mil issued at 5.75% per annum and $175 mil issued at 4.80% per annum (31 December 2013: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 December 2014 were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial year ended 31 December 2014. The total number of issued preference shares as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

In 2014, the Company issued perpetual capital securities amounting to $475 mil (31 December 2013: nil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company has reviewed the application of the new/revised FRS and Interpretations of FRS that are effective for the financial year beginning on 1 January 2014. Those new/revised FRS and Interpretations of FRS did not result in any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2014	2013	Change %
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-			
Based on the weighted average number of ordinary shares in issue	1.66 cts	2.42 cts	(31.4)
- Weighted average number of shares	824,833,989	826,216,677	(0.2)
On a fully diluted basis of ordinary shares	1.66 cts	2.42 cts	(31.4)
- Adjusted weighted average number of shares	825,038,717	826,761,402	(0.2)

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net assets value per ordinary share:

	Group		Company	
	31 Dec 14 Cents	31 Dec 13 Cents	31 Dec 14 Cents	31 Dec 13 Cents
Based on 816,984,989 (31 December 2013: 827,007,989) ordinary shares in issue	56.6	58.4	36.8	33.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a)(i) Revenue and earnings

The Group achieved profit attributable to the shareholders of the Company (PATMI) of $57.5 mil for the financial year ended 31 December 2014 (FY2014), an increase from $44.0 mil for the financial year ended 31 December 2013 (FY2013). Total revenue for FY2014 was $321.4 mil, a 40% decline from FY2013 of $535.8 mil mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. On gross profits, the Group reported $157.5 mil in FY2014 compared to $268.5 mil in FY2013.

In FY2014, the Group entered into a sale and leaseback agreement on its building, Hyflux Innovation Centre (HIC); and disposed of its investments in Hyflux Marmon Development Pte Ltd, a joint venture, as well as Marmon Hyflux Investments Pte Ltd, an associate (collectively as Marmon entities), to Marmon Water (Singapore) Pte Ltd, recognising gains amounting to $103.8 mil and $54.1 mil, respectively. In the last quarter of the year, the Group received confirmation on the capital gain treatment from the tax authority relating to the sale and leaseback of HIC building. Accordingly, taxes previously accrued were reversed adding to the gain on the sale and leaseback of HIC building. These were collectively reported in Other Income of $170.0 mil and contributed to the increase from $10.2 mil in FY2013.

Basic and diluted earnings per share was 1.66 cents for FY2014 (adjusted for dividends on preference shares and perpetual capital securities), compared to the basic and diluted earnings per share of 2.42 cents for FY2013 (adjusted for dividends on preference shares).

Sector Review

Municipal sector continued to be the main contributor to the Group's revenue, accounting for 84% of the total revenue in FY2014. For FY2013, the municipal sector contributed 93%.

Revenue from the industrial sector made up 14% of the Group's revenue in FY2014, increased from 5% in FY2013 as the Group focused on the design and supply of technology packages for various water treatment solutions.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 72% and 83% of the Group's total revenues in FY2014 and FY2013 respectively.

The Group's China market contributed 15% to the total revenue in FY2014, an increase from 9% in FY2013.

Revenue from MENA accounted for 7% in FY2014, an increase from 4% in FY2013.

8(a)(ii) Costs and expenses

Direct costs decreased from $267.3 mil in FY2013 to $163.9 mil in FY2014 in line with revenue.

Staff costs increased marginally from $73.1 mil in FY2013 to $75.2 mil in FY2014.

Depreciation, amortisation and impairment decreased from $42.1 mil in FY2013 to $32.6 mil in FY2014. Higher impairment charges relating to non-core businesses and assets as well as deconsolidation of a subsidiary contributed to higher costs in FY2013.

Finance costs increased by 27% from $27.5 mil in FY2013 to $34.8 mil in FY2014 mainly relating to the financing of the Group's assets under development, the Tuaspring power plant.

Other expenses increased from $79.0 mil in FY2013 to $120.5 mil in FY2014, primarily due to utility charges for the Tuaspring desalination plant (which commenced its operation in September 2013) as a result of the delay in the national grid connection to our power plant, and provisions made against receivables.

Share of losses of associates and joint ventures increased from $5.4 mil to $11.3 mil reflecting lower than expected plant utilisation rates compared to designed capacity.

The Group recorded a net income tax credit of $5.8 mil for FY2014 due mainly to recognition of tax losses available for future utilisation of certain entities as well as reversal of provision relating to prior years.

8(b) Statements of Financial Position Analysis

8(b)(i) The Group

The Group's shareholders' equity increased from $882.6 mil as at 31 December 2013 to $1,337.2 mil as at 31 December 2014. Both perpetual capital securities issuance in January and July 2014 totalling $475.0 mil; and foreign operations translation gains arising from the strengthening of Chinese Renminbi and US Dollars against Singapore dollars contributed to the overall increase in equity base. The increase was, however, lowered by marked-to-market effect of interest rate swaps relating to the Group's floating rate loan, dividends for the year as well as purchase of treasury shares. The Group purchased 10.4 mil treasury shares for a total cost of $10.5 mil during the year.

Current assets increased from $620.9 mil as at 31 December 2013 to $838.8 mil as at 31 December 2014 mainly contributed by the net proceeds from the issuance of perpetual capital securities and divestments during the year. As at 31 December 2014, a leasehold property with carrying value of $4.0 mil was reclassified to asset held for sale pursuant to sale and purchase agreements entered into by the Group with third party. The sale was completed subsequent to year-end upon satisfaction of conditions precedent and legal title transfers.

Non-current assets increased from $1,775.6 mil as at 31 December 2013 to $1,902.9 mil as at 31 December 2014, mainly from the Group's continuing investments in service concession projects and deferred tax assets recognised, offset by the disposal of HIC.

The Group reported an increase in current liabilities from $359.9 mil as at 31 December 2013 to $390.6 mil as at 31 December 2014. Included in the current liabilities was a fixed-rate unsecured notes issued under the Group's Multicurrency Debt Issuance Programme amounting to $75 mil that will become payable in March 2015. The amount was reclassified from long-term borrowings as at year-end.

Non-current liabilities recorded a corresponding decrease from $1,150.4 mil as at 31 December 2013 to $1,009.1 mil as at 31 December 2014 primarily due to the reclassification mentioned above as well as repayment of borrowings during the year. As at 31 December 2014, fixed-rate unsecured notes amounting to $419.1 mil will mature between 2016 and 2019.

The Group's net gearing ratio improved to 0.51 times as at 31 December 2014 from 1.15 times as at 31 December 2013.

8(b)(ii) The Company

The Company's shareholders' equity increased from $675.4 mil as at 31 December 2013 to $1,175.5 mil as at 31 December 2014 mainly contributed by the issuance of perpetual capital securities and divestment of Hyflux Marmon Development Pte Ltd. Its equity base was offset by dividends totalling $51.6 mil during the year and purchase of treasury shares.

8(c) Statement of Cash flows

The Group's overall cash position increased from $243.9 mil as at 31 December 2013 to $444.4 mil as at 31 December 2014.

In FY2014, net cash of $226.1 mil was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash outflows from the Group's operating activities were $15.0 mil.

Cash generated from investing activities of $206.3 mil in FY2014 was largely contributed by net proceeds from the sale and leaseback of HIC as well as disposals of investments in Marmon entities. This was offset by loans to a joint venture, acquisition of property, plant and equipment, and additional capital injection into Tahlyat Myah Magtaa SPA (TMM), the Group's 47% associate.

The issuance of $475 mil perpetual capital securities in aggregate in January and July 2014 contributed to the net financing inflows in FY2014. The inflow was offset by repayment of borrowings including one of its fixed-rate unsecured notes of $60.0 mil; payments of dividends on ordinary shares, preference shares and perpetual capital securities; and interest costs. Proceeds from the issuance of perpetual capital securities are used for continued strategic investments by the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In December 2014, Hyflux was successful in our tender for a contract worth US$250 million to design, build, own and operate an independent water project in Qurayyat, Sultanate of Oman. The Group is on track to signing the Water Purchase Agreement ("WPA") and construction activities will start upon signing of the WPA.

Including the Qurayyat project's engineering, procurement and construction work which is worth US$210 million, the Group's order book stood at $2.9 billion as at year-end, comprising $954 million in EPC projects and $2.0 billion in operations and maintenance contracts.

In Singapore, Hyflux has completed construction of the 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant. It is expected to be connected to the national grid in the second half of 2015 after a period of prolonged delay in the grid connection. Following the connection, there will be a period of testing which will have operating cost implications.

Progress to achieve financial close for the Dahej desalination project in Gujarat, India has been slower than anticipated. The Group continues to work closely with our partners to drive the project forward.

The Group is cautiously optimistic about the rebound in the water industry in 2015 amidst a weaker oil price environment. While the first half is likely to be slow, the Group expects a pick-up in the second half. There may also be some opportunities in asset divestment during the year. The Group will continue to focus on capturing growth opportunities in its key markets.

The Group is actively pursuing municipal and industrial projects in selective markets in the Middle East, Africa, Asia and the Americas. In addition, the Group will seek opportunities in infrastructure development projects in Africa and Asia where it can offer value through integrated water and power solutions.

11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(c) Date payable.

Subject to shareholders' approval at the Annual General Meeting to be held on 29 April 2015, the dividend will be paid on 25 May 2015.

(d) Books closure date.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2015 for the preparation of dividend warrants.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 11 May 2015 will be registered to determine shareholders' entitlement to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 11 May 2015 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Operating segments

Information about reportable segments

	Municipal		Industrial		All other segments		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
External revenues	**269,868**	499,876	**46,410**	28,646	**5,116**	7,268	**321,394**	535,790
Inter-segment revenue	**43**	2,109	**-**	-	**4,567**	9,015	**4,610**	11,124
Interest income	**2,019**	1,557	**35**	674	**16**	-	**2,070**	2,231
Finance costs	**(20,527)**	(11,925)	**(49)**	-	**(588)**	(1,242)	**(21,164)**	(13,167)
Depreciation, amortisation and impairment	**(10,894)**	(5,077)	**(14,121)**	(24,626)	**(2,555)**	(3,322)	**(27,570)**	(33,025)
Reportable segment (loss)/profit before income tax	**(26,219)**	102,409	**(46,030)**	(19,851)	**153,319***	(2,236)	**81,070**	80,322
Share of (loss)/profit of associates and joint ventures, net of income tax	**(9,383)**	(3,585)	**(1,961)**	(4,039)	**31**	2,273	**(11,313)**	(5,351)
Tax credits/(expenses)	**7,594**	(3,928)	**(44)**	(451)	**(1,797)**	(4,348)	**5,753**	(8,727)
Operating lease expenses	**(14,670)**	(14,821)	**(3,472)**	(262)	**(620)**	(1,100)	**(18,762)**	(16,183)
Contribution to defined contribution plan, included in staff cost	**(4,803)**	(4,832)	**(911)**	(986)	**(266)**	(362)	**(5,980)**	(6,180)
Reportable segment assets	**2,028,524**	1,743,328	**161,399**	146,593	**45,093**	105,332	**2,235,016**	1,995,253
Investments in joint ventures	**233,846**	236,310	**-**	-	**-**	974	**233,846**	237,284
Investments in associates	**100,335**	95,224	**-**	1,985	**-**	7,909	**100,335**	105,118
Capital expenditure	**6,112**	3,102	**4,508**	96	**2,199**	1,117	**12,819**	4,315
Reportable segment liabilities	**994,952**	882,102	**25,578**	13,319	**38,965**	75,629	**1,059,495**	971,050

* Included gain from sale and leaseback of HIC building of $103.8 mil and gain on divestments of Marmon entities of $54.1 mil.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014 S$'000	2013 S$'000
Revenues		
Total revenue for reportable segments	**316,278**	528,522
Revenue for all other segments	**5,116**	7,268
Consolidated revenue	**321,394**	535,790
Profit or loss		
Total profit or loss for reportable segments	**(72,249)**	82,558
Profit or loss for all other segments	**153,319**	(2,236)
	81,070	80,322
Unallocated corporate expenses	**(16,697)**	(23,348)
Share of loss of associates and joint ventures, net of income tax	**(11,313)**	(5,351)
Consolidated profit before income tax	**53,060**	51,623
Assets		
Total assets for reportable segments	**2,189,923**	1,889,921
Assets for all other segments	**45,093**	105,332
Investments in associates and joint ventures	**334,181**	342,402
Other unallocated amounts	**172,518**	58,850
Consolidated total assets	**2,741,715**	2,396,505
Liabilities		
Total liabilities for reportable segments	**1,020,530**	895,421
Liabilities for all other segments	**38,965**	75,629
Other unallocated amounts	**340,232**	539,163
Consolidated total liabilities	**1,399,727**	1,510,213

Other material items in 2014

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	**2,070**	**1,977**	**4,047**
Finance costs	**(21,164)**	**(13,665)**	**(34,829)**
Capital expenditure	**12,819**	**1,446**	**14,265**
Depreciation, amortisation and impairment	**(27,570)**	**(5,010)**	**(32,580)**

Other material items in 2013

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	2,231	87	2,318
Finance costs	(13,167)	(14,352)	(27,519)
Capital expenditure	4,315	10,272	14,587
Depreciation, amortisation and impairment	(33,025)	(9,083)	(42,108)

Geographical information

31 December 2014

	Revenues S$'000	Non-current assets S$'000
Singapore	**232,557**	**1,335,339**
Middle East and North Africa	**21,232**	**80,152**
People's Republic of China	**47,919**	**486,032**
Others	**19,686**	**1,378**
	321,394	**1,902,901**

31 December 2013

	Revenues S$'000 Restated	Non-current assets S$'000 Restated
Singapore	445,112	1,197,919
Middle East and North Africa	22,349	82,614
People's Republic of China	47,276	493,865
Others	21,053	1,237
	535,790	1,775,635

14. Breakdown of sales

	2014 S$'000	2013 S$'000	Increase/ (decrease)
Sales reported for the first half year	**168,962**	262,928	(36)
Profit after tax before non-controlling interests reported for the first half year	**99,360**	25,205	NM
Sales reported for the second half year	**152,432**	272,862	(44)
(Loss)/profit after tax before non-controlling interests reported for the second half year	**(40,547)**	17,691	NM

15. Breakdown of total annual dividend (In dollar value).

	Latest Full Year (2014) S$'000	Previous Full Year (2013) S$'000
Ordinary	**19,026**	26,437
Preference shares	**24,000**	24,000
Perpetual capital securities	**8,553**	-
Total	**51,579**	50,437

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
27 February 2015

HYFLUX LTD
Registration number : 200002722Z

Unaudited Financial Statements For The Financial Year Ended 31 December 2014

1 (a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Revenue	**321,394**	535,790	(40)
Other income	**169,999**	10,224	NM
Changes in inventories of finished goods and work-in-progress	**7,046**	8,501	(17)
Raw materials and consumables used and subcontractors' costs	**(170,981)**	(275,770)	(38)
Staff costs	**(75,183)**	(73,110)	3
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Other expenses	**(120,493)**	(79,034)	52
Finance costs	**(34,829)**	(27,519)	27
Share of losses of associates and joint ventures, net of income tax	**(11,313)**	(5,351)	NM
Profit before income tax	**53,060**	51,623	3
Tax credit/(expense)	**5,753**	(8,727)	NM
Profit for the year	**58,813**	42,896	37
Profit attributable to:			
Owners of the Company	**57,469**	44,026	31
Non-controlling interests	**1,344**	(1,130)	NM
Profit for the year	**58,813**	42,896	37

NM: Not Meaningful

1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014 S$'000	**2013 S$'000**	**Change %**
Profit for the year	**58,813**	42,896	37
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	**10,135**	15,257	(34)
Effective portion of changes in fair value of cash flow hedges	**(24,546)**	(883)	NM
Share of other comprehensive income of associates and joint ventures	**4,367**	18,405	(76)
Net change in fair value of cash flow hedges transferred to profit or loss	**(915)**	(6,065)	(85)
Realisation of foreign currency translation to profit or loss	**(163)**	-	NM
Effect of changes in control of consolidated entities	**-**	(1,142)	NM
Liquidation of subsidiaries	**-**	4	NM
Other comprehensive income for the year, net of income tax	**(11,122)**	25,576	NM
Total comprehensive income for the year	**47,691**	68,472	(30)
Total comprehensive income attributable to:			
Owners of the Company	**46,622**	68,998	(32)
Non-controlling interests	**1,069**	(526)	NM
Total comprehensive income for the year	**47,691**	68,472	(30)

NM: Not Meaningful

NOTES TO CONSOLIDATED INCOME STATEMENT

1 (a)(iii) Profit before income tax of the Group is arrived at after (charging)/crediting the following: -

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Allowance for inventory obsolescence	**(989)**	(109)	NM
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Finance costs	**(34,829)**	(27,519)	27
Financial receivables written off	**(2,886)**	(2,617)	10
Gain on disposal of subsidiaries	**-**	810	NM
Gain on disposal of an associate and a joint venture	**54,118**	-	NM
Gain/(loss) on sale of property, plant and equipment	**103,684**	(39)	NM
Impairment of trade and other receivables	**(28,069)**	(8,441)	NM
Intangible assets arising from service concession arrangements written off	**(990)**	-	NM
Interest income	**4,047**	2,318	75
(Loss)/gain on liquidation of subsidiaries	**(98)**	3	NM
Net foreign currency exchange loss	**(287)**	(2,974)	(90)
Property, plant and equipment written off	**(220)**	(10)	NM
Over/(under)provision of prior years' tax	**364**	(243)	NM

NM: Not Meaningful

1(b)(i) Statements of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Group		Company	
	31 Dec 14 S$'000	31 Dec 13 S$'000	31 Dec 14 S$'000	31 Dec 13 S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	**115,860**	180,439	**-**	-
Intangible assets	**28,093**	34,247	**-**	-
Intangible assets arising from service concession arrangements	**992,989**	800,185	**-**	-
Investments in subsidiaries	**-**	-	**181,198**	176,790
Investments in joint ventures	**233,846**	237,284	**-**	3,125
Investments in associates	**100,335**	105,118	**14,983**	14,535
Other investments	**18,562**	18,022	**630**	630
Financial receivables	**384,670**	383,250	**-**	-
Trade and other receivables	**19,041**	15,139	**791,173**	526,963
Deferred tax assets	**9,505**	1,951	**-**	-
	1,902,901	1,775,635	**987,984**	722,043
CURRENT ASSETS				
Gross amounts due for contract work	**94,410**	96,987	**-**	-
Inventories	**44,181**	34,643	**-**	-
Financial receivables	**10,558**	11,702	**-**	-
Trade and other receivables	**241,284**	233,593	**769,352**	719,593
Cash and cash equivalents	**444,428**	243,945	**203,243**	68,576
Asset held for sale	**3,953**	-	**-**	-
	838,814	620,870	**972,595**	788,169
CURRENT LIABILITIES				
Trade and other payables	**229,879**	218,931	**70,364**	24,320
Loans and borrowings	**153,464**	128,999	**92,257**	65,957
Tax payable	**7,285**	11,928	**3,699**	7,098
	390,628	359,858	**166,320**	97,375
Net current assets	**448,186**	261,012	**806,275**	690,794
NON-CURRENT LIABILITIES				
Trade and other payables, including derivatives	**29,275**	7,199	**-**	-
Loans and borrowings	**979,331**	1,137,980	**618,792**	737,452
Deferred tax liabilities	**493**	5,176	**-**	-
	1,009,099	1,150,355	**618,792**	737,452
Net assets	**1,341,988**	886,292	**1,175,467**	675,385

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (cont'd)

	Group		Company	
	31 Dec 14 S$'000	**31 Dec 13 S$'000**	**31 Dec 14 S$'000**	**31 Dec 13 S$'000**
EQUITY				
Share capital	**607,258**	606,887	**607,258**	606,887
Perpetual capital securities	**469,096**	-	**469,096**	-
Reserve for own shares	**(61,936)**	(51,484)	**(61,936)**	(51,484)
Capital reserve	**10,043**	7,560	**5,402**	2,919
Foreign currency translation reserve	**14,029**	(101)	**-**	-
Hedging reserve	**(29,728)**	(4,751)	**-**	-
Employees' share option reserve	**24,755**	24,186	**24,755**	24,186
Retained earnings	**303,664**	300,277	**130,892**	92,877
Total equity attributable to owners of the Company	**1,337,181**	882,574	**1,175,467**	675,385
Non-controlling interests	**4,807**	3,718	**-**	-
Total equity	**1,341,988**	886,292	**1,175,467**	675,385
Group net borrowings (S$)	**688,367**	1,023,034	**n.a.**	n.a.
Group net gearing (times)	**0.51x**	1.15x	**n.a.**	n.a.

NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	**153,464**	2,000	126,999

(ii) Amount repayable after one year

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
226,614	**752,717**	271,781	866,199

Details of any collateral

As at 31 December 2014, secured bank loans of the Group are secured by specific project assets under project financing of a subsidiary.

As at 31 December 2013, secured bank loans of the Group are secured by a leasehold property and specific project assets under project financing of certain subsidiaries.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	**2013**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before income tax	**53,060**	51,623
Adjustments for:		
Allowance for inventory obsolescence	**989**	109
Amortisation of transaction costs related to borrowings	**582**	1,680
Depreciation, amortisation and impairment	**32,580**	42,108
Employees' share option expense	**569**	1,729
Finance costs	**34,829**	27,519
Financial receivables written off	**2,886**	2,617
Gain on disposal of subsidiaries	**-**	(810)
Gain on disposal of an associate and a joint venture	**(54,118)**	-
(Gain)/loss on sale of property, plant and equipment	**(103,684)**	39
Impairment of trade and other receivables	**28,069**	8,441
Intangible assets arising from service concession arrangements written off	**990**	-
Interest income	**(4,047)**	(2,318)
Loss/(gain) on liquidation of subsidiaries	**98**	(3)
Property, plant and equipment written off	**220**	10
Share of losses of associates and joint ventures, net of income tax	**11,313**	5,351
	4,336	138,095
Change in inventories	**(10,534)**	(4,620)
Change in gross amounts due for contract work	**2,577**	13,175
Change in trade and other receivables	**(20,252)**	(36,450)
Change in trade and other payables	**8,836**	(64,573)
Cash (used in)/from operating activities before service concession arrangement projects	**(15,037)**	45,627
Change in financial receivables from service concession arrangements	**(3,163)**	(33,369)
Change in intangible assets arising from service concession arrangements	**(198,916)**	(427,848)
Cash used in operating activities after service concession arrangement projects	**(217,116)**	(415,590)
Income tax paid	**(9,017)**	(6,841)
Net cash used in operating activities	**(226,133)**	(422,431)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Group	
	2014	2013
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of intangible assets	**(1,945)**	(6,762)
Acquisition of property, plant and equipment	**(11,855)**	(6,704)
Acquisition of other investments	**(515)**	-
Additional investments in an associate	**(8,589)**	-
Additional investments in a joint venture	**(206)**	(964)
Deposits received	**5,565**	-
Dividends received from associates	**6,238**	1,620
Effect of changes in control of consolidated entities	**-**	(14,714)
Interest received	**3,287**	1,204
Loans to a joint venture	**(18,660)**	-
Net cash outflow on liquidation of subsidiaries	**-**	(167)
Net proceeds from disposal of an associate and a joint venture	**63,432**	-
Net proceeds from sale of property, plant and equipment	**169,536**	70
Net cash from/(used in) investing activities	**206,288**	(26,417)
Cash flows from financing activities		
Dividends paid	**(51,579)**	(50,437)
Dividends paid to non-controlling interests of subsidiaries	**-**	(1,048)
Decrease in deposits pledged	**1,832**	4,964
Interest paid	**(51,227)**	(38,737)
Net proceeds from perpetual capital securities issued	**469,096**	-
Proceeds from borrowings	**66,981**	704,807
Proceeds from exercise of share options	**371**	1,691
Purchases of treasury shares	**(10,452)**	-
Repayment of borrowings	**(214,834)**	(453,204)
Net cash from financing activities	**210,188**	168,036
Net increase/(decrease) in cash and cash equivalents	**190,343**	(280,812)
Cash and cash equivalents at beginning of the year	**182,585**	449,015
Effect of exchange rate fluctuations on cash held	**9,116**	14,382
Cash and cash equivalents at end of the year [Note 1(c)(i)]	**382,044**	182,585

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1(c)(i) Cash and cash equivalents included in consolidated statement of cash flows comprise of the following:

	Group	
	31 Dec 2014	31 Dec 2013
	S$'000	S$'000
Cash and cash equivalents as per statement of financial position	**444,428**	243,945
Less: Bank overdraft	**(56,658)**	(59,217)
Less: Deposits pledged	**(5,726)**	(2,143)
Cash and cash equivalents as per statement of cash flows	**382,044**	182,585

1 (d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	7,560	(101)	(4,751)	24,186	300,277	882,574	3,718	886,292
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	57,469	57,469	1,344	58,813
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	-	10,410	-	-	-	10,410	(275)	10,135
Realisation of foreign currency translation to profit or loss	-	-	-	-	(163)	-	-	-	(163)	-	(163)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(24,546)	-	-	(24,546)	-	(24,546)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	(915)	-	-	(915)	-	(915)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	3,883	484	-	-	4,367	-	4,367
Total comprehensive income for the year	-	-	-	-	14,130	(24,977)	-	57,469	46,622	1,069	47,691
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	(51,579)	(51,579)	-	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	-	-	469,096	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	-	-	371	-	371
Own shares acquired	-	-	(10,452)	-	-	-	-	-	(10,452)	-	(10,452)
Value of employee services received for issue of share options	-	-	-	-	-	-	569	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	-	-	(2,483)	-	-	-
Total contributions by and distributions to owners	371	469,096	(10,452)	2,483	-	-	569	(54,062)	408,005	-	408,005
Changes in ownership interest in subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	(20)	(20)	20	-
Total transactions with owners	371	469,096	(10,452)	2,483	-	-	569	(54,082)	407,985	20	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**10,043**	**14,029**	**(29,728)**	**24,755**	**303,664**	**1,337,181**	**4,807**	**1,341,988**

STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)

	Share capital	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2013	605,196	(51,484)	9,094	(30,480)	656	22,457	305,154	860,593	16,436	877,029
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	44,026	44,026	(1,130)	42,896
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	14,321	-	-	-	14,321	936	15,257
Effect of changes in control of consolidated entities	-	-	-	(810)	-	-	-	(810)	(332)	(1,142)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(883)	-	-	(883)	-	(883)
Liquidation of subsidiaries	-	-	-	4	-	-	-	4	-	4
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Share of reserve of joint ventures	-	-	(20)	-	-	-	20	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	16,864	1,541	-	-	18,405	-	18,405
Total comprehensive income for the year	-	-	(20)	30,379	(5,407)	-	44,046	68,998	(526)	68,472
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	(50,437)	(50,437)	-	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	-	1,691	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	-	1,729	-	1,729	-	1,729
Transfer to capital reserve	-	-	1,061	-	-	-	(1,061)	-	-	-
	1,691	-	1,061	-	-	1,729	(51,498)	(47,017)	-	(47,017)
Changes in ownership interest in subsidiaries										
Effect of changes in control of consolidated entities	-	-	(2,575)	-	-	-	2,575	-	(12,192)	(12,192)
Total transactions with owners	1,691	-	(1,514)	-	-	1,729	(48,923)	(47,017)	(12,192)	(59,209)
At 31.12.2013	**606,887**	**(51,484)**	**7,560**	**(101)**	**(4,751)**	**24,186**	**300,277**	**882,574**	**3,718**	**886,292**

1 (d)(i) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	2,919	24,186	92,877	675,385
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	92,077	92,077
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(51,579)	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	371
Own shares acquired	-	-	(10,452)	-	-	-	(10,452)
Value of employee services received for issuance of share options	-	-	-	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	(2,483)	-
Total transactions with owners	371	469,096	(10,452)	2,483	569	(54,062)	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**5,402**	**24,755**	**130,892**	**1,175,467**
At 1.1.2013	605,196	-	(51,484)	1,858	22,457	88,007	666,034
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	56,368	56,368
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(50,437)	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	1,729	-	1,729
Transfer to capital reserve	-	-	-	1,061	-	(1,061)	-
Total transactions with owners	1,691	-	-	1,061	1,729	(51,498)	(47,017)
At 31.12.2013	**606,887**	-	**(51,484)**	**2,919**	**24,186**	**92,877**	**675,385**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movements in the Company's issued and fully paid-up share capital during the fourth quarter ended 31 December 2014 were as follows:

Issued share capital

	No. of shares	Amount S$'000
Ordinary shares		
At 1 October 2014	827,384,989	163,205
Less: Purchase of treasury shares	(10,400,000)	(10,452)
At 31 December 2014	816,984,989	152,753
Preference shares		
At 1 October 2014 and 31 December 2014	4,000,000	392,569
Issued share capital at 31 December 2014 *(Note A)*		545,322

As at 31 December 2014, the number of ordinary shares in issue were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

The total number of issued 6% Cumulative Non-convertible Non-voting Perpetual Class A Preference Shares (preference shares) as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

Note A:

Per Balance Sheet	S$'000
- Share capital	607,258
- Reserve for own shares	(61,936)
Issued share capital as at 31 December 2014	545,322

Outstanding share options under the Scheme

	No. of options
At 1 January 2014	39,297,750
Options granted	3,030,000
Options granted but not accepted	(50,000)
Exercised/Forfeited	(6,717,500)
At 31 December 2014	35,560,250

As at 31 December 2014, the number of outstanding share options under the Schemes were 35,560,250 (31 December 2013: 39,297,750).

Perpetual capital securities

	Amount S$'000
At 1 October and 31 December 2014	469,096

As at 31 December 2014, perpetual capital securities comprised $300 mil issued at 5.75% per annum and $175 mil issued at 4.80% per annum (31 December 2013: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 December 2014 were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial year ended 31 December 2014. The total number of issued preference shares as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

In 2014, the Company issued perpetual capital securities amounting to $475 mil (31 December 2013: nil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company has reviewed the application of the new/revised FRS and Interpretations of FRS that are effective for the financial year beginning on 1 January 2014. Those new/revised FRS and Interpretations of FRS did not result in any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2014	2013	Change %
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-			
Based on the weighted average number of ordinary shares in issue	1.66 cts	2.42 cts	(31.4)
- Weighted average number of shares	824,833,989	826,216,677	(0.2)
On a fully diluted basis of ordinary shares	1.66 cts	2.42 cts	(31.4)
- Adjusted weighted average number of shares	825,038,717	826,761,402	(0.2)

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net assets value per ordinary share:

	Group		Company	
	31 Dec 14 Cents	31 Dec 13 Cents	31 Dec 14 Cents	31 Dec 13 Cents
Based on 816,984,989 (31 December 2013: 827,007,989) ordinary shares in issue	56.6	58.4	36.8	33.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a)(i) Revenue and earnings

The Group achieved profit attributable to the shareholders of the Company (PATMI) of $57.5 mil for the financial year ended 31 December 2014 (FY2014), an increase from $44.0 mil for the financial year ended 31 December 2013 (FY2013). Total revenue for FY2014 was $321.4 mil, a 40% decline from FY2013 of $535.8 mil mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. On gross profits, the Group reported $157.5 mil in FY2014 compared to $268.5 mil in FY2013.

In FY2014, the Group entered into a sale and leaseback agreement on its building, Hyflux Innovation Centre (HIC); and disposed of its investments in Hyflux Marmon Development Pte Ltd, a joint venture, as well as Marmon Hyflux Investments Pte Ltd, an associate (collectively as Marmon entities), to Marmon Water (Singapore) Pte Ltd, recognising gains amounting to $103.8 mil and $54.1 mil, respectively. In the last quarter of the year, the Group received confirmation on the capital gain treatment from the tax authority relating to the sale and leaseback of HIC building. Accordingly, taxes previously accrued were reversed adding to the gain on the sale and leaseback of HIC building. These were collectively reported in Other Income of $170.0 mil and contributed to the increase from $10.2 mil in FY2013.

Basic and diluted earnings per share was 1.66 cents for FY2014 (adjusted for dividends on preference shares and perpetual capital securities), compared to the basic and diluted earnings per share of 2.42 cents for FY2013 (adjusted for dividends on preference shares).

Sector Review

Municipal sector continued to be the main contributor to the Group's revenue, accounting for 84% of the total revenue in FY2014. For FY2013, the municipal sector contributed 93%.

Revenue from the industrial sector made up 14% of the Group's revenue in FY2014, increased from 5% in FY2013 as the Group focused on the design and supply of technology packages for various water treatment solutions.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 72% and 83% of the Group's total revenues in FY2014 and FY2013 respectively.

The Group's China market contributed 15% to the total revenue in FY2014, an increase from 9% in FY2013.

Revenue from MENA accounted for 7% in FY2014, an increase from 4% in FY2013.

8(a)(ii) Costs and expenses

Direct costs decreased from $267.3 mil in FY2013 to $163.9 mil in FY2014 in line with revenue.

Staff costs increased marginally from $73.1 mil in FY2013 to $75.2 mil in FY2014.

Depreciation, amortisation and impairment decreased from $42.1 mil in FY2013 to $32.6 mil in FY2014. Higher impairment charges relating to non-core businesses and assets as well as deconsolidation of a subsidiary contributed to higher costs in FY2013.

Finance costs increased by 27% from $27.5 mil in FY2013 to $34.8 mil in FY2014 mainly relating to the financing of the Group's assets under development, the Tuaspring power plant.

Other expenses increased from $79.0 mil in FY2013 to $120.5 mil in FY2014, primarily due to utility charges for the Tuaspring desalination plant (which commenced its operation in September 2013) as a result of the delay in the national grid connection to our power plant, and provisions made against receivables.

Share of losses of associates and joint ventures increased from $5.4 mil to $11.3 mil reflecting lower than expected plant utilisation rates compared to designed capacity.

The Group recorded a net income tax credit of $5.8 mil for FY2014 due mainly to recognition of tax losses available for future utilisation of certain entities as well as reversal of provision relating to prior years.

8(b) Statements of Financial Position Analysis

8(b)(i) The Group

The Group's shareholders' equity increased from $882.6 mil as at 31 December 2013 to $1,337.2 mil as at 31 December 2014. Both perpetual capital securities issuance in January and July 2014 totalling $475.0 mil; and foreign operations translation gains arising from the strengthening of Chinese Renminbi and US Dollars against Singapore dollars contributed to the overall increase in equity base. The increase was, however, lowered by marked-to-market effect of interest rate swaps relating to the Group's floating rate loan, dividends for the year as well as purchase of treasury shares. The Group purchased 10.4 mil treasury shares for a total cost of $10.5 mil during the year.

Current assets increased from $620.9 mil as at 31 December 2013 to $838.8 mil as at 31 December 2014 mainly contributed by the net proceeds from the issuance of perpetual capital securities and divestments during the year. As at 31 December 2014, a leasehold property with carrying value of $4.0 mil was reclassified to asset held for sale pursuant to sale and purchase agreements entered into by the Group with third party. The sale was completed subsequent to year-end upon satisfaction of conditions precedent and legal title transfers.

Non-current assets increased from $1,775.6 mil as at 31 December 2013 to $1,902.9 mil as at 31 December 2014, mainly from the Group's continuing investments in service concession projects and deferred tax assets recognised, offset by the disposal of HIC.

The Group reported an increase in current liabilities from $359.9 mil as at 31 December 2013 to $390.6 mil as at 31 December 2014. Included in the current liabilities was a fixed-rate unsecured notes issued under the Group's Multicurrency Debt Issuance Programme amounting to $75 mil that will become payable in March 2015. The amount was reclassified from long-term borrowings as at year-end.

Non-current liabilities recorded a corresponding decrease from $1,150.4 mil as at 31 December 2013 to $1,009.1 mil as at 31 December 2014 primarily due to the reclassification mentioned above as well as repayment of borrowings during the year. As at 31 December 2014, fixed-rate unsecured notes amounting to $419.1 mil will mature between 2016 and 2019.

The Group's net gearing ratio improved to 0.51 times as at 31 December 2014 from 1.15 times as at 31 December 2013.

8(b)(ii) The Company

The Company's shareholders' equity increased from $675.4 mil as at 31 December 2013 to $1,175.5 mil as at 31 December 2014 mainly contributed by the issuance of perpetual capital securities and divestment of Hyflux Marmon Development Pte Ltd. Its equity base was offset by dividends totalling $51.6 mil during the year and purchase of treasury shares.

8(c) Statement of Cash flows

The Group's overall cash position increased from $243.9 mil as at 31 December 2013 to $444.4 mil as at 31 December 2014.

In FY2014, net cash of $226.1 mil was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash outflows from the Group's operating activities were $15.0 mil.

Cash generated from investing activities of $206.3 mil in FY2014 was largely contributed by net proceeds from the sale and leaseback of HIC as well as disposals of investments in Marmon entities. This was offset by loans to a joint venture, acquisition of property, plant and equipment, and additional capital injection into Tahlyat Myah Magtaa SPA (TMM), the Group's 47% associate.

The issuance of $475 mil perpetual capital securities in aggregate in January and July 2014 contributed to the net financing inflows in FY2014. The inflow was offset by repayment of borrowings including one of its fixed-rate unsecured notes of $60.0 mil; payments of dividends on ordinary shares, preference shares and perpetual capital securities; and interest costs. Proceeds from the issuance of perpetual capital securities are used for continued strategic investments by the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In December 2014, Hyflux was successful in our tender for a contract worth US$250 million to design, build, own and operate an independent water project in Qurayyat, Sultanate of Oman. The Group is on track to signing the Water Purchase Agreement ("WPA") and construction activities will start upon signing of the WPA.

Including the Qurayyat project's engineering, procurement and construction work which is worth US$210 million, the Group's order book stood at $2.9 billion as at year-end, comprising $954 million in EPC projects and $2.0 billion in operations and maintenance contracts.

In Singapore, Hyflux has completed construction of the 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant. It is expected to be connected to the national grid in the second half of 2015 after a period of prolonged delay in the grid connection. Following the connection, there will be a period of testing which will have operating cost implications.

Progress to achieve financial close for the Dahej desalination project in Gujarat, India has been slower than anticipated. The Group continues to work closely with our partners to drive the project forward.

The Group is cautiously optimistic about the rebound in the water industry in 2015 amidst a weaker oil price environment. While the first half is likely to be slow, the Group expects a pick-up in the second half. There may also be some opportunities in asset divestment during the year. The Group will continue to focus on capturing growth opportunities in its key markets.

The Group is actively pursuing municipal and industrial projects in selective markets in the Middle East, Africa, Asia and the Americas. In addition, the Group will seek opportunities in infrastructure development projects in Africa and Asia where it can offer value through integrated water and power solutions.

11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(c) Date payable.

Subject to shareholders' approval at the Annual General Meeting to be held on 29 April 2015, the dividend will be paid on 25 May 2015.

(d) Books closure date.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2015 for the preparation of dividend warrants.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 11 May 2015 will be registered to determine shareholders' entitlement to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 11 May 2015 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Operating segments

Information about reportable segments

	Municipal		Industrial		All other segments		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
External revenues	**269,868**	499,876	**46,410**	28,646	**5,116**	7,268	**321,394**	535,790
Inter-segment revenue	**43**	2,109	**-**	-	**4,567**	9,015	**4,610**	11,124
Interest income	**2,019**	1,557	**35**	674	**16**	-	**2,070**	2,231
Finance costs	**(20,527)**	(11,925)	**(49)**	-	**(588)**	(1,242)	**(21,164)**	(13,167)
Depreciation, amortisation and impairment	**(10,894)**	(5,077)	**(14,121)**	(24,626)	**(2,555)**	(3,322)	**(27,570)**	(33,025)
Reportable segment (loss)/profit before income tax	**(26,219)**	102,409	**(46,030)**	(19,851)	**153,319***	(2,236)	**81,070**	80,322
Share of (loss)/profit of associates and joint ventures, net of income tax	**(9,383)**	(3,585)	**(1,961)**	(4,039)	**31**	2,273	**(11,313)**	(5,351)
Tax credits/(expenses)	**7,594**	(3,928)	**(44)**	(451)	**(1,797)**	(4,348)	**5,753**	(8,727)
Operating lease expenses	**(14,670)**	(14,821)	**(3,472)**	(262)	**(620)**	(1,100)	**(18,762)**	(16,183)
Contribution to defined contribution plan, included in staff cost	**(4,803)**	(4,832)	**(911)**	(986)	**(266)**	(362)	**(5,980)**	(6,180)
Reportable segment assets	**2,028,524**	1,743,328	**161,399**	146,593	**45,093**	105,332	**2,235,016**	1,995,253
Investments in joint ventures	**233,846**	236,310	**-**	-	**-**	974	**233,846**	237,284
Investments in associates	**100,335**	95,224	**-**	1,985	**-**	7,909	**100,335**	105,118
Capital expenditure	**6,112**	3,102	**4,508**	96	**2,199**	1,117	**12,819**	4,315
Reportable segment liabilities	**994,952**	882,102	**25,578**	13,319	**38,965**	75,629	**1,059,495**	971,050

* Included gain from sale and leaseback of HIC building of $103.8 mil and gain on divestments of Marmon entities of $54.1 mil.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014 S$'000	2013 S$'000
Revenues		
Total revenue for reportable segments	**316,278**	528,522
Revenue for all other segments	**5,116**	7,268
Consolidated revenue	**321,394**	535,790
Profit or loss		
Total profit or loss for reportable segments	**(72,249)**	82,558
Profit or loss for all other segments	**153,319**	(2,236)
	81,070	80,322
Unallocated corporate expenses	**(16,697)**	(23,348)
Share of loss of associates and joint ventures, net of income tax	**(11,313)**	(5,351)
Consolidated profit before income tax	**53,060**	51,623
Assets		
Total assets for reportable segments	**2,189,923**	1,889,921
Assets for all other segments	**45,093**	105,332
Investments in associates and joint ventures	**334,181**	342,402
Other unallocated amounts	**172,518**	58,850
Consolidated total assets	**2,741,715**	2,396,505
Liabilities		
Total liabilities for reportable segments	**1,020,530**	895,421
Liabilities for all other segments	**38,965**	75,629
Other unallocated amounts	**340,232**	539,163
Consolidated total liabilities	**1,399,727**	1,510,213

Other material items in 2014

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	**2,070**	**1,977**	**4,047**
Finance costs	**(21,164)**	**(13,665)**	**(34,829)**
Capital expenditure	**12,819**	**1,446**	**14,265**
Depreciation, amortisation and impairment	**(27,570)**	**(5,010)**	**(32,580)**

Other material items in 2013

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	2,231	87	2,318
Finance costs	(13,167)	(14,352)	(27,519)
Capital expenditure	4,315	10,272	14,587
Depreciation, amortisation and impairment	(33,025)	(9,083)	(42,108)

Geographical information

31 December 2014

	Revenues S$'000	Non-current assets S$'000
Singapore	**232,557**	**1,335,339**
Middle East and North Africa	**21,232**	**80,152**
People's Republic of China	**47,919**	**486,032**
Others	**19,686**	**1,378**
	321,394	**1,902,901**

31 December 2013

	Revenues S$'000 Restated	Non-current assets S$'000 Restated
Singapore	445,112	1,197,919
Middle East and North Africa	22,349	82,614
People's Republic of China	47,276	493,865
Others	21,053	1,237
	535,790	1,775,635

14. Breakdown of sales

	2014 S$'000	2013 S$'000	Increase/ (decrease)
Sales reported for the first half year	**168,962**	262,928	(36)
Profit after tax before non-controlling interests reported for the first half year	**99,360**	25,205	NM
Sales reported for the second half year	**152,432**	272,862	(44)
(Loss)/profit after tax before non-controlling interests reported for the second half year	**(40,547)**	17,691	NM

15. Breakdown of total annual dividend (In dollar value).

	Latest Full Year (2014) S$'000	Previous Full Year (2013) S$'000
Ordinary	**19,026**	26,437
Preference shares	**24,000**	24,000
Perpetual capital securities	**8,553**	-
Total	**51,579**	50,437

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
27 February 2015

HYFLUX LTD
Registration number : 200002722Z

Unaudited Financial Statements For The Financial Year Ended 31 December 2014

1 (a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Revenue	**321,394**	535,790	(40)
Other income	**169,999**	10,224	NM
Changes in inventories of finished goods and work-in-progress	**7,046**	8,501	(17)
Raw materials and consumables used and subcontractors' costs	**(170,981)**	(275,770)	(38)
Staff costs	**(75,183)**	(73,110)	3
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Other expenses	**(120,493)**	(79,034)	52
Finance costs	**(34,829)**	(27,519)	27
Share of losses of associates and joint ventures, net of income tax	**(11,313)**	(5,351)	NM
Profit before income tax	**53,060**	51,623	3
Tax credit/(expense)	**5,753**	(8,727)	NM
Profit for the year	**58,813**	42,896	37
Profit attributable to:			
Owners of the Company	**57,469**	44,026	31
Non-controlling interests	**1,344**	(1,130)	NM
Profit for the year	**58,813**	42,896	37

NM: Not Meaningful

1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014 S$'000	**2013 S$'000**	**Change %**
Profit for the year	**58,813**	42,896	37
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	**10,135**	15,257	(34)
Effective portion of changes in fair value of cash flow hedges	**(24,546)**	(883)	NM
Share of other comprehensive income of associates and joint ventures	**4,367**	18,405	(76)
Net change in fair value of cash flow hedges transferred to profit or loss	**(915)**	(6,065)	(85)
Realisation of foreign currency translation to profit or loss	**(163)**	-	NM
Effect of changes in control of consolidated entities	**-**	(1,142)	NM
Liquidation of subsidiaries	**-**	4	NM
Other comprehensive income for the year, net of income tax	**(11,122)**	25,576	NM
Total comprehensive income for the year	**47,691**	68,472	(30)
Total comprehensive income attributable to:			
Owners of the Company	**46,622**	68,998	(32)
Non-controlling interests	**1,069**	(526)	NM
Total comprehensive income for the year	**47,691**	68,472	(30)

NM: Not Meaningful

NOTES TO CONSOLIDATED INCOME STATEMENT

1 (a)(iii) Profit before income tax of the Group is arrived at after (charging)/crediting the following: -

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Allowance for inventory obsolescence	**(989)**	(109)	NM
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Finance costs	**(34,829)**	(27,519)	27
Financial receivables written off	**(2,886)**	(2,617)	10
Gain on disposal of subsidiaries	**-**	810	NM
Gain on disposal of an associate and a joint venture	**54,118**	-	NM
Gain/(loss) on sale of property, plant and equipment	**103,684**	(39)	NM
Impairment of trade and other receivables	**(28,069)**	(8,441)	NM
Intangible assets arising from service concession arrangements written off	**(990)**	-	NM
Interest income	**4,047**	2,318	75
(Loss)/gain on liquidation of subsidiaries	**(98)**	3	NM
Net foreign currency exchange loss	**(287)**	(2,974)	(90)
Property, plant and equipment written off	**(220)**	(10)	NM
Over/(under)provision of prior years' tax	**364**	(243)	NM

NM: Not Meaningful

1(b)(i) Statements of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Group		Company	
	31 Dec 14 S$'000	31 Dec 13 S$'000	31 Dec 14 S$'000	31 Dec 13 S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	**115,860**	180,439	**-**	-
Intangible assets	**28,093**	34,247	**-**	-
Intangible assets arising from service concession arrangements	**992,989**	800,185	**-**	-
Investments in subsidiaries	**-**	-	**181,198**	176,790
Investments in joint ventures	**233,846**	237,284	**-**	3,125
Investments in associates	**100,335**	105,118	**14,983**	14,535
Other investments	**18,562**	18,022	**630**	630
Financial receivables	**384,670**	383,250	**-**	-
Trade and other receivables	**19,041**	15,139	**791,173**	526,963
Deferred tax assets	**9,505**	1,951	**-**	-
	1,902,901	1,775,635	**987,984**	722,043
CURRENT ASSETS				
Gross amounts due for contract work	**94,410**	96,987	**-**	-
Inventories	**44,181**	34,643	**-**	-
Financial receivables	**10,558**	11,702	**-**	-
Trade and other receivables	**241,284**	233,593	**769,352**	719,593
Cash and cash equivalents	**444,428**	243,945	**203,243**	68,576
Asset held for sale	**3,953**	-	**-**	-
	838,814	620,870	**972,595**	788,169
CURRENT LIABILITIES				
Trade and other payables	**229,879**	218,931	**70,364**	24,320
Loans and borrowings	**153,464**	128,999	**92,257**	65,957
Tax payable	**7,285**	11,928	**3,699**	7,098
	390,628	359,858	**166,320**	97,375
Net current assets	**448,186**	261,012	**806,275**	690,794
NON-CURRENT LIABILITIES				
Trade and other payables, including derivatives	**29,275**	7,199	**-**	-
Loans and borrowings	**979,331**	1,137,980	**618,792**	737,452
Deferred tax liabilities	**493**	5,176	**-**	-
	1,009,099	1,150,355	**618,792**	737,452
Net assets	**1,341,988**	886,292	**1,175,467**	675,385

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (cont'd)

	Group		Company	
	31 Dec 14 S$'000	**31 Dec 13 S$'000**	**31 Dec 14 S$'000**	**31 Dec 13 S$'000**
EQUITY				
Share capital	**607,258**	606,887	**607,258**	606,887
Perpetual capital securities	**469,096**	-	**469,096**	-
Reserve for own shares	**(61,936)**	(51,484)	**(61,936)**	(51,484)
Capital reserve	**10,043**	7,560	**5,402**	2,919
Foreign currency translation reserve	**14,029**	(101)	**-**	-
Hedging reserve	**(29,728)**	(4,751)	**-**	-
Employees' share option reserve	**24,755**	24,186	**24,755**	24,186
Retained earnings	**303,664**	300,277	**130,892**	92,877
Total equity attributable to owners of the Company	**1,337,181**	882,574	**1,175,467**	675,385
Non-controlling interests	**4,807**	3,718	**-**	-
Total equity	**1,341,988**	886,292	**1,175,467**	675,385
Group net borrowings (S$)	**688,367**	1,023,034	**n.a.**	n.a.
Group net gearing (times)	**0.51x**	1.15x	**n.a.**	n.a.

NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	**153,464**	2,000	126,999

(ii) Amount repayable after one year

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
226,614	**752,717**	271,781	866,199

Details of any collateral

As at 31 December 2014, secured bank loans of the Group are secured by specific project assets under project financing of a subsidiary.

As at 31 December 2013, secured bank loans of the Group are secured by a leasehold property and specific project assets under project financing of certain subsidiaries.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	**2013**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before income tax	**53,060**	51,623
Adjustments for:		
Allowance for inventory obsolescence	**989**	109
Amortisation of transaction costs related to borrowings	**582**	1,680
Depreciation, amortisation and impairment	**32,580**	42,108
Employees' share option expense	**569**	1,729
Finance costs	**34,829**	27,519
Financial receivables written off	**2,886**	2,617
Gain on disposal of subsidiaries	**-**	(810)
Gain on disposal of an associate and a joint venture	**(54,118)**	-
(Gain)/loss on sale of property, plant and equipment	**(103,684)**	39
Impairment of trade and other receivables	**28,069**	8,441
Intangible assets arising from service concession arrangements written off	**990**	-
Interest income	**(4,047)**	(2,318)
Loss/(gain) on liquidation of subsidiaries	**98**	(3)
Property, plant and equipment written off	**220**	10
Share of losses of associates and joint ventures, net of income tax	**11,313**	5,351
	4,336	138,095
Change in inventories	**(10,534)**	(4,620)
Change in gross amounts due for contract work	**2,577**	13,175
Change in trade and other receivables	**(20,252)**	(36,450)
Change in trade and other payables	**8,836**	(64,573)
Cash (used in)/from operating activities before service concession arrangement projects	**(15,037)**	45,627
Change in financial receivables from service concession arrangements	**(3,163)**	(33,369)
Change in intangible assets arising from service concession arrangements	**(198,916)**	(427,848)
Cash used in operating activities after service concession arrangement projects	**(217,116)**	(415,590)
Income tax paid	**(9,017)**	(6,841)
Net cash used in operating activities	**(226,133)**	(422,431)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Group	
	2014	2013
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of intangible assets	**(1,945)**	(6,762)
Acquisition of property, plant and equipment	**(11,855)**	(6,704)
Acquisition of other investments	**(515)**	-
Additional investments in an associate	**(8,589)**	-
Additional investments in a joint venture	**(206)**	(964)
Deposits received	**5,565**	-
Dividends received from associates	**6,238**	1,620
Effect of changes in control of consolidated entities	**-**	(14,714)
Interest received	**3,287**	1,204
Loans to a joint venture	**(18,660)**	-
Net cash outflow on liquidation of subsidiaries	**-**	(167)
Net proceeds from disposal of an associate and a joint venture	**63,432**	-
Net proceeds from sale of property, plant and equipment	**169,536**	70
Net cash from/(used in) investing activities	**206,288**	(26,417)
Cash flows from financing activities		
Dividends paid	**(51,579)**	(50,437)
Dividends paid to non-controlling interests of subsidiaries	**-**	(1,048)
Decrease in deposits pledged	**1,832**	4,964
Interest paid	**(51,227)**	(38,737)
Net proceeds from perpetual capital securities issued	**469,096**	-
Proceeds from borrowings	**66,981**	704,807
Proceeds from exercise of share options	**371**	1,691
Purchases of treasury shares	**(10,452)**	-
Repayment of borrowings	**(214,834)**	(453,204)
Net cash from financing activities	**210,188**	168,036
Net increase/(decrease) in cash and cash equivalents	**190,343**	(280,812)
Cash and cash equivalents at beginning of the year	**182,585**	449,015
Effect of exchange rate fluctuations on cash held	**9,116**	14,382
Cash and cash equivalents at end of the year [Note 1(c)(i)]	**382,044**	182,585

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1(c)(i) Cash and cash equivalents included in consolidated statement of cash flows comprise of the following:

	Group	
	31 Dec 2014	31 Dec 2013
	S$'000	S$'000
Cash and cash equivalents as per statement of financial position	**444,428**	243,945
Less: Bank overdraft	**(56,658)**	(59,217)
Less: Deposits pledged	**(5,726)**	(2,143)
Cash and cash equivalents as per statement of cash flows	**382,044**	182,585

1 (d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	7,560	(101)	(4,751)	24,186	300,277	882,574	3,718	886,292
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	57,469	57,469	1,344	58,813
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	-	10,410	-	-	-	10,410	(275)	10,135
Realisation of foreign currency translation to profit or loss	-	-	-	-	(163)	-	-	-	(163)	-	(163)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(24,546)	-	-	(24,546)	-	(24,546)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	(915)	-	-	(915)	-	(915)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	3,883	484	-	-	4,367	-	4,367
Total comprehensive income for the year	-	-	-	-	14,130	(24,977)	-	57,469	46,622	1,069	47,691
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	(51,579)	(51,579)	-	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	-	-	469,096	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	-	-	371	-	371
Own shares acquired	-	-	(10,452)	-	-	-	-	-	(10,452)	-	(10,452)
Value of employee services received for issue of share options	-	-	-	-	-	-	569	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	-	-	(2,483)	-	-	-
Total contributions by and distributions to owners	371	469,096	(10,452)	2,483	-	-	569	(54,062)	408,005	-	408,005
Changes in ownership interest in subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	(20)	(20)	20	-
Total transactions with owners	371	469,096	(10,452)	2,483	-	-	569	(54,082)	407,985	20	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**10,043**	**14,029**	**(29,728)**	**24,755**	**303,664**	**1,337,181**	**4,807**	**1,341,988**

STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)

	Share capital	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2013	605,196	(51,484)	9,094	(30,480)	656	22,457	305,154	860,593	16,436	877,029
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	44,026	44,026	(1,130)	42,896
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	14,321	-	-	-	14,321	936	15,257
Effect of changes in control of consolidated entities	-	-	-	(810)	-	-	-	(810)	(332)	(1,142)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(883)	-	-	(883)	-	(883)
Liquidation of subsidiaries	-	-	-	4	-	-	-	4	-	4
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Share of reserve of joint ventures	-	-	(20)	-	-	-	20	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	16,864	1,541	-	-	18,405	-	18,405
Total comprehensive income for the year	-	-	(20)	30,379	(5,407)	-	44,046	68,998	(526)	68,472
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	(50,437)	(50,437)	-	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	-	1,691	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	-	1,729	-	1,729	-	1,729
Transfer to capital reserve	-	-	1,061	-	-	-	(1,061)	-	-	-
	1,691	-	1,061	-	-	1,729	(51,498)	(47,017)	-	(47,017)
Changes in ownership interest in subsidiaries										
Effect of changes in control of consolidated entities	-	-	(2,575)	-	-	-	2,575	-	(12,192)	(12,192)
Total transactions with owners	1,691	-	(1,514)	-	-	1,729	(48,923)	(47,017)	(12,192)	(59,209)
At 31.12.2013	**606,887**	**(51,484)**	**7,560**	**(101)**	**(4,751)**	**24,186**	**300,277**	**882,574**	**3,718**	**886,292**

1 (d)(i) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	2,919	24,186	92,877	675,385
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	92,077	92,077
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(51,579)	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	371
Own shares acquired	-	-	(10,452)	-	-	-	(10,452)
Value of employee services received for issuance of share options	-	-	-	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	(2,483)	-
Total transactions with owners	371	469,096	(10,452)	2,483	569	(54,062)	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**5,402**	**24,755**	**130,892**	**1,175,467**
At 1.1.2013	605,196	-	(51,484)	1,858	22,457	88,007	666,034
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	56,368	56,368
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(50,437)	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	1,729	-	1,729
Transfer to capital reserve	-	-	-	1,061	-	(1,061)	-
Total transactions with owners	1,691	-	-	1,061	1,729	(51,498)	(47,017)
At 31.12.2013	**606,887**	-	**(51,484)**	**2,919**	**24,186**	**92,877**	**675,385**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movements in the Company's issued and fully paid-up share capital during the fourth quarter ended 31 December 2014 were as follows:

Issued share capital

	No. of shares	Amount S$'000
Ordinary shares		
At 1 October 2014	827,384,989	163,205
Less: Purchase of treasury shares	(10,400,000)	(10,452)
At 31 December 2014	816,984,989	152,753
Preference shares		
At 1 October 2014 and 31 December 2014	4,000,000	392,569
Issued share capital at 31 December 2014 *(Note A)*		545,322

As at 31 December 2014, the number of ordinary shares in issue were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

The total number of issued 6% Cumulative Non-convertible Non-voting Perpetual Class A Preference Shares (preference shares) as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

Note A:

Per Balance Sheet	S$'000
- Share capital	607,258
- Reserve for own shares	(61,936)
Issued share capital as at 31 December 2014	545,322

Outstanding share options under the Scheme

	No. of options
At 1 January 2014	39,297,750
Options granted	3,030,000
Options granted but not accepted	(50,000)
Exercised/Forfeited	(6,717,500)
At 31 December 2014	35,560,250

As at 31 December 2014, the number of outstanding share options under the Schemes were 35,560,250 (31 December 2013: 39,297,750).

Perpetual capital securities

	Amount S$'000
At 1 October and 31 December 2014	469,096

As at 31 December 2014, perpetual capital securities comprised $300 mil issued at 5.75% per annum and $175 mil issued at 4.80% per annum (31 December 2013: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 December 2014 were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial year ended 31 December 2014. The total number of issued preference shares as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

In 2014, the Company issued perpetual capital securities amounting to $475 mil (31 December 2013: nil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company has reviewed the application of the new/revised FRS and Interpretations of FRS that are effective for the financial year beginning on 1 January 2014. Those new/revised FRS and Interpretations of FRS did not result in any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2014	2013	Change %
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-			
Based on the weighted average number of ordinary shares in issue	1.66 cts	2.42 cts	(31.4)
- Weighted average number of shares	824,833,989	826,216,677	(0.2)
On a fully diluted basis of ordinary shares	1.66 cts	2.42 cts	(31.4)
- Adjusted weighted average number of shares	825,038,717	826,761,402	(0.2)

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net assets value per ordinary share:

	Group		Company	
	31 Dec 14 Cents	31 Dec 13 Cents	31 Dec 14 Cents	31 Dec 13 Cents
Based on 816,984,989 (31 December 2013: 827,007,989) ordinary shares in issue	56.6	58.4	36.8	33.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a)(i) Revenue and earnings

The Group achieved profit attributable to the shareholders of the Company (PATMI) of $57.5 mil for the financial year ended 31 December 2014 (FY2014), an increase from $44.0 mil for the financial year ended 31 December 2013 (FY2013). Total revenue for FY2014 was $321.4 mil, a 40% decline from FY2013 of $535.8 mil mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. On gross profits, the Group reported $157.5 mil in FY2014 compared to $268.5 mil in FY2013.

In FY2014, the Group entered into a sale and leaseback agreement on its building, Hyflux Innovation Centre (HIC); and disposed of its investments in Hyflux Marmon Development Pte Ltd, a joint venture, as well as Marmon Hyflux Investments Pte Ltd, an associate (collectively as Marmon entities), to Marmon Water (Singapore) Pte Ltd, recognising gains amounting to $103.8 mil and $54.1 mil, respectively. In the last quarter of the year, the Group received confirmation on the capital gain treatment from the tax authority relating to the sale and leaseback of HIC building. Accordingly, taxes previously accrued were reversed adding to the gain on the sale and leaseback of HIC building. These were collectively reported in Other Income of $170.0 mil and contributed to the increase from $10.2 mil in FY2013.

Basic and diluted earnings per share was 1.66 cents for FY2014 (adjusted for dividends on preference shares and perpetual capital securities), compared to the basic and diluted earnings per share of 2.42 cents for FY2013 (adjusted for dividends on preference shares).

Sector Review

Municipal sector continued to be the main contributor to the Group's revenue, accounting for 84% of the total revenue in FY2014. For FY2013, the municipal sector contributed 93%.

Revenue from the industrial sector made up 14% of the Group's revenue in FY2014, increased from 5% in FY2013 as the Group focused on the design and supply of technology packages for various water treatment solutions.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 72% and 83% of the Group's total revenues in FY2014 and FY2013 respectively.

The Group's China market contributed 15% to the total revenue in FY2014, an increase from 9% in FY2013.

Revenue from MENA accounted for 7% in FY2014, an increase from 4% in FY2013.

8(a)(ii) Costs and expenses

Direct costs decreased from $267.3 mil in FY2013 to $163.9 mil in FY2014 in line with revenue.

Staff costs increased marginally from $73.1 mil in FY2013 to $75.2 mil in FY2014.

Depreciation, amortisation and impairment decreased from $42.1 mil in FY2013 to $32.6 mil in FY2014. Higher impairment charges relating to non-core businesses and assets as well as deconsolidation of a subsidiary contributed to higher costs in FY2013.

Finance costs increased by 27% from $27.5 mil in FY2013 to $34.8 mil in FY2014 mainly relating to the financing of the Group's assets under development, the Tuaspring power plant.

Other expenses increased from $79.0 mil in FY2013 to $120.5 mil in FY2014, primarily due to utility charges for the Tuaspring desalination plant (which commenced its operation in September 2013) as a result of the delay in the national grid connection to our power plant, and provisions made against receivables.

Share of losses of associates and joint ventures increased from $5.4 mil to $11.3 mil reflecting lower than expected plant utilisation rates compared to designed capacity.

The Group recorded a net income tax credit of $5.8 mil for FY2014 due mainly to recognition of tax losses available for future utilisation of certain entities as well as reversal of provision relating to prior years.

8(b) Statements of Financial Position Analysis

8(b)(i) The Group

The Group's shareholders' equity increased from $882.6 mil as at 31 December 2013 to $1,337.2 mil as at 31 December 2014. Both perpetual capital securities issuance in January and July 2014 totalling $475.0 mil; and foreign operations translation gains arising from the strengthening of Chinese Renminbi and US Dollars against Singapore dollars contributed to the overall increase in equity base. The increase was, however, lowered by marked-to-market effect of interest rate swaps relating to the Group's floating rate loan, dividends for the year as well as purchase of treasury shares. The Group purchased 10.4 mil treasury shares for a total cost of $10.5 mil during the year.

Current assets increased from $620.9 mil as at 31 December 2013 to $838.8 mil as at 31 December 2014 mainly contributed by the net proceeds from the issuance of perpetual capital securities and divestments during the year. As at 31 December 2014, a leasehold property with carrying value of $4.0 mil was reclassified to asset held for sale pursuant to sale and purchase agreements entered into by the Group with third party. The sale was completed subsequent to year-end upon satisfaction of conditions precedent and legal title transfers.

Non-current assets increased from $1,775.6 mil as at 31 December 2013 to $1,902.9 mil as at 31 December 2014, mainly from the Group's continuing investments in service concession projects and deferred tax assets recognised, offset by the disposal of HIC.

The Group reported an increase in current liabilities from $359.9 mil as at 31 December 2013 to $390.6 mil as at 31 December 2014. Included in the current liabilities was a fixed-rate unsecured notes issued under the Group's Multicurrency Debt Issuance Programme amounting to $75 mil that will become payable in March 2015. The amount was reclassified from long-term borrowings as at year-end.

Non-current liabilities recorded a corresponding decrease from $1,150.4 mil as at 31 December 2013 to $1,009.1 mil as at 31 December 2014 primarily due to the reclassification mentioned above as well as repayment of borrowings during the year. As at 31 December 2014, fixed-rate unsecured notes amounting to $419.1 mil will mature between 2016 and 2019.

The Group's net gearing ratio improved to 0.51 times as at 31 December 2014 from 1.15 times as at 31 December 2013.

8(b)(ii) The Company

The Company's shareholders' equity increased from $675.4 mil as at 31 December 2013 to $1,175.5 mil as at 31 December 2014 mainly contributed by the issuance of perpetual capital securities and divestment of Hyflux Marmon Development Pte Ltd. Its equity base was offset by dividends totalling $51.6 mil during the year and purchase of treasury shares.

8(c) Statement of Cash flows

The Group's overall cash position increased from $243.9 mil as at 31 December 2013 to $444.4 mil as at 31 December 2014.

In FY2014, net cash of $226.1 mil was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash outflows from the Group's operating activities were $15.0 mil.

Cash generated from investing activities of $206.3 mil in FY2014 was largely contributed by net proceeds from the sale and leaseback of HIC as well as disposals of investments in Marmon entities. This was offset by loans to a joint venture, acquisition of property, plant and equipment, and additional capital injection into Tahlyat Myah Magtaa SPA (TMM), the Group's 47% associate.

The issuance of $475 mil perpetual capital securities in aggregate in January and July 2014 contributed to the net financing inflows in FY2014. The inflow was offset by repayment of borrowings including one of its fixed-rate unsecured notes of $60.0 mil; payments of dividends on ordinary shares, preference shares and perpetual capital securities; and interest costs. Proceeds from the issuance of perpetual capital securities are used for continued strategic investments by the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In December 2014, Hyflux was successful in our tender for a contract worth US$250 million to design, build, own and operate an independent water project in Qurayyat, Sultanate of Oman. The Group is on track to signing the Water Purchase Agreement ("WPA") and construction activities will start upon signing of the WPA.

Including the Qurayyat project's engineering, procurement and construction work which is worth US$210 million, the Group's order book stood at $2.9 billion as at year-end, comprising $954 million in EPC projects and $2.0 billion in operations and maintenance contracts.

In Singapore, Hyflux has completed construction of the 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant. It is expected to be connected to the national grid in the second half of 2015 after a period of prolonged delay in the grid connection. Following the connection, there will be a period of testing which will have operating cost implications.

Progress to achieve financial close for the Dahej desalination project in Gujarat, India has been slower than anticipated. The Group continues to work closely with our partners to drive the project forward.

The Group is cautiously optimistic about the rebound in the water industry in 2015 amidst a weaker oil price environment. While the first half is likely to be slow, the Group expects a pick-up in the second half. There may also be some opportunities in asset divestment during the year. The Group will continue to focus on capturing growth opportunities in its key markets.

The Group is actively pursuing municipal and industrial projects in selective markets in the Middle East, Africa, Asia and the Americas. In addition, the Group will seek opportunities in infrastructure development projects in Africa and Asia where it can offer value through integrated water and power solutions.

11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(c) Date payable.

Subject to shareholders' approval at the Annual General Meeting to be held on 29 April 2015, the dividend will be paid on 25 May 2015.

(d) Books closure date.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2015 for the preparation of dividend warrants.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 11 May 2015 will be registered to determine shareholders' entitlement to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 11 May 2015 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Operating segments

Information about reportable segments

	Municipal		Industrial		All other segments		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
External revenues	**269,868**	499,876	**46,410**	28,646	**5,116**	7,268	**321,394**	535,790
Inter-segment revenue	**43**	2,109	**-**	-	**4,567**	9,015	**4,610**	11,124
Interest income	**2,019**	1,557	**35**	674	**16**	-	**2,070**	2,231
Finance costs	**(20,527)**	(11,925)	**(49)**	-	**(588)**	(1,242)	**(21,164)**	(13,167)
Depreciation, amortisation and impairment	**(10,894)**	(5,077)	**(14,121)**	(24,626)	**(2,555)**	(3,322)	**(27,570)**	(33,025)
Reportable segment (loss)/profit before income tax	**(26,219)**	102,409	**(46,030)**	(19,851)	**153,319***	(2,236)	**81,070**	80,322
Share of (loss)/profit of associates and joint ventures, net of income tax	**(9,383)**	(3,585)	**(1,961)**	(4,039)	**31**	2,273	**(11,313)**	(5,351)
Tax credits/(expenses)	**7,594**	(3,928)	**(44)**	(451)	**(1,797)**	(4,348)	**5,753**	(8,727)
Operating lease expenses	**(14,670)**	(14,821)	**(3,472)**	(262)	**(620)**	(1,100)	**(18,762)**	(16,183)
Contribution to defined contribution plan, included in staff cost	**(4,803)**	(4,832)	**(911)**	(986)	**(266)**	(362)	**(5,980)**	(6,180)
Reportable segment assets	**2,028,524**	1,743,328	**161,399**	146,593	**45,093**	105,332	**2,235,016**	1,995,253
Investments in joint ventures	**233,846**	236,310	**-**	-	**-**	974	**233,846**	237,284
Investments in associates	**100,335**	95,224	**-**	1,985	**-**	7,909	**100,335**	105,118
Capital expenditure	**6,112**	3,102	**4,508**	96	**2,199**	1,117	**12,819**	4,315
Reportable segment liabilities	**994,952**	882,102	**25,578**	13,319	**38,965**	75,629	**1,059,495**	971,050

* Included gain from sale and leaseback of HIC building of $103.8 mil and gain on divestments of Marmon entities of $54.1 mil.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014 S$'000	2013 S$'000
Revenues		
Total revenue for reportable segments	**316,278**	528,522
Revenue for all other segments	**5,116**	7,268
Consolidated revenue	**321,394**	535,790
Profit or loss		
Total profit or loss for reportable segments	**(72,249)**	82,558
Profit or loss for all other segments	**153,319**	(2,236)
	81,070	80,322
Unallocated corporate expenses	**(16,697)**	(23,348)
Share of loss of associates and joint ventures, net of income tax	**(11,313)**	(5,351)
Consolidated profit before income tax	**53,060**	51,623
Assets		
Total assets for reportable segments	**2,189,923**	1,889,921
Assets for all other segments	**45,093**	105,332
Investments in associates and joint ventures	**334,181**	342,402
Other unallocated amounts	**172,518**	58,850
Consolidated total assets	**2,741,715**	2,396,505
Liabilities		
Total liabilities for reportable segments	**1,020,530**	895,421
Liabilities for all other segments	**38,965**	75,629
Other unallocated amounts	**340,232**	539,163
Consolidated total liabilities	**1,399,727**	1,510,213

Other material items in 2014

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	**2,070**	**1,977**	**4,047**
Finance costs	**(21,164)**	**(13,665)**	**(34,829)**
Capital expenditure	**12,819**	**1,446**	**14,265**
Depreciation, amortisation and impairment	**(27,570)**	**(5,010)**	**(32,580)**

Other material items in 2013

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	2,231	87	2,318
Finance costs	(13,167)	(14,352)	(27,519)
Capital expenditure	4,315	10,272	14,587
Depreciation, amortisation and impairment	(33,025)	(9,083)	(42,108)

Geographical information

31 December 2014

	Revenues S$'000	Non-current assets S$'000
Singapore	**232,557**	**1,335,339**
Middle East and North Africa	**21,232**	**80,152**
People's Republic of China	**47,919**	**486,032**
Others	**19,686**	**1,378**
	321,394	**1,902,901**

31 December 2013

	Revenues S$'000 Restated	Non-current assets S$'000 Restated
Singapore	445,112	1,197,919
Middle East and North Africa	22,349	82,614
People's Republic of China	47,276	493,865
Others	21,053	1,237
	535,790	1,775,635

14. Breakdown of sales

	2014 S$'000	2013 S$'000	Increase/ (decrease)
Sales reported for the first half year	**168,962**	262,928	(36)
Profit after tax before non-controlling interests reported for the first half year	**99,360**	25,205	NM
Sales reported for the second half year	**152,432**	272,862	(44)
(Loss)/profit after tax before non-controlling interests reported for the second half year	**(40,547)**	17,691	NM

15. Breakdown of total annual dividend (In dollar value).

	Latest Full Year (2014) S$'000	Previous Full Year (2013) S$'000
Ordinary	**19,026**	26,437
Preference shares	**24,000**	24,000
Perpetual capital securities	**8,553**	-
Total	**51,579**	50,437

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
27 February 2015

HYFLUX LTD
Registration number : 200002722Z

Unaudited Financial Statements For The Financial Year Ended 31 December 2014

1 (a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Revenue	**321,394**	535,790	(40)
Other income	**169,999**	10,224	NM
Changes in inventories of finished goods and work-in-progress	**7,046**	8,501	(17)
Raw materials and consumables used and subcontractors' costs	**(170,981)**	(275,770)	(38)
Staff costs	**(75,183)**	(73,110)	3
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Other expenses	**(120,493)**	(79,034)	52
Finance costs	**(34,829)**	(27,519)	27
Share of losses of associates and joint ventures, net of income tax	**(11,313)**	(5,351)	NM
Profit before income tax	**53,060**	51,623	3
Tax credit/(expense)	**5,753**	(8,727)	NM
Profit for the year	**58,813**	42,896	37
Profit attributable to:			
Owners of the Company	**57,469**	44,026	31
Non-controlling interests	**1,344**	(1,130)	NM
Profit for the year	**58,813**	42,896	37

NM: Not Meaningful

1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		
	2014 S$'000	**2013 S$'000**	**Change %**
Profit for the year	**58,813**	42,896	37
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	**10,135**	15,257	(34)
Effective portion of changes in fair value of cash flow hedges	**(24,546)**	(883)	NM
Share of other comprehensive income of associates and joint ventures	**4,367**	18,405	(76)
Net change in fair value of cash flow hedges transferred to profit or loss	**(915)**	(6,065)	(85)
Realisation of foreign currency translation to profit or loss	**(163)**	-	NM
Effect of changes in control of consolidated entities	**-**	(1,142)	NM
Liquidation of subsidiaries	**-**	4	NM
Other comprehensive income for the year, net of income tax	**(11,122)**	25,576	NM
Total comprehensive income for the year	**47,691**	68,472	(30)
Total comprehensive income attributable to:			
Owners of the Company	**46,622**	68,998	(32)
Non-controlling interests	**1,069**	(526)	NM
Total comprehensive income for the year	**47,691**	68,472	(30)

NM: Not Meaningful

NOTES TO CONSOLIDATED INCOME STATEMENT

1 (a)(iii) Profit before income tax of the Group is arrived at after (charging)/crediting the following: -

	Group		
	2014	**2013**	**Change**
	S$'000	**S$'000**	**%**
Allowance for inventory obsolescence	**(989)**	(109)	NM
Depreciation, amortisation and impairment	**(32,580)**	(42,108)	(23)
Finance costs	**(34,829)**	(27,519)	27
Financial receivables written off	**(2,886)**	(2,617)	10
Gain on disposal of subsidiaries	**-**	810	NM
Gain on disposal of an associate and a joint venture	**54,118**	-	NM
Gain/(loss) on sale of property, plant and equipment	**103,684**	(39)	NM
Impairment of trade and other receivables	**(28,069)**	(8,441)	NM
Intangible assets arising from service concession arrangements written off	**(990)**	-	NM
Interest income	**4,047**	2,318	75
(Loss)/gain on liquidation of subsidiaries	**(98)**	3	NM
Net foreign currency exchange loss	**(287)**	(2,974)	(90)
Property, plant and equipment written off	**(220)**	(10)	NM
Over/(under)provision of prior years' tax	**364**	(243)	NM

NM: Not Meaningful

1(b)(i) Statements of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Group		Company	
	31 Dec 14 S$'000	31 Dec 13 S$'000	31 Dec 14 S$'000	31 Dec 13 S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	**115,860**	180,439	**-**	-
Intangible assets	**28,093**	34,247	**-**	-
Intangible assets arising from service concession arrangements	**992,989**	800,185	**-**	-
Investments in subsidiaries	**-**	-	**181,198**	176,790
Investments in joint ventures	**233,846**	237,284	**-**	3,125
Investments in associates	**100,335**	105,118	**14,983**	14,535
Other investments	**18,562**	18,022	**630**	630
Financial receivables	**384,670**	383,250	**-**	-
Trade and other receivables	**19,041**	15,139	**791,173**	526,963
Deferred tax assets	**9,505**	1,951	**-**	-
	1,902,901	1,775,635	**987,984**	722,043
CURRENT ASSETS				
Gross amounts due for contract work	**94,410**	96,987	**-**	-
Inventories	**44,181**	34,643	**-**	-
Financial receivables	**10,558**	11,702	**-**	-
Trade and other receivables	**241,284**	233,593	**769,352**	719,593
Cash and cash equivalents	**444,428**	243,945	**203,243**	68,576
Asset held for sale	**3,953**	-	**-**	-
	838,814	620,870	**972,595**	788,169
CURRENT LIABILITIES				
Trade and other payables	**229,879**	218,931	**70,364**	24,320
Loans and borrowings	**153,464**	128,999	**92,257**	65,957
Tax payable	**7,285**	11,928	**3,699**	7,098
	390,628	359,858	**166,320**	97,375
Net current assets	**448,186**	261,012	**806,275**	690,794
NON-CURRENT LIABILITIES				
Trade and other payables, including derivatives	**29,275**	7,199	**-**	-
Loans and borrowings	**979,331**	1,137,980	**618,792**	737,452
Deferred tax liabilities	**493**	5,176	**-**	-
	1,009,099	1,150,355	**618,792**	737,452
Net assets	**1,341,988**	886,292	**1,175,467**	675,385

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (cont'd)

	Group		Company	
	31 Dec 14 S$'000	**31 Dec 13 S$'000**	**31 Dec 14 S$'000**	**31 Dec 13 S$'000**
EQUITY				
Share capital	**607,258**	606,887	**607,258**	606,887
Perpetual capital securities	**469,096**	-	**469,096**	-
Reserve for own shares	**(61,936)**	(51,484)	**(61,936)**	(51,484)
Capital reserve	**10,043**	7,560	**5,402**	2,919
Foreign currency translation reserve	**14,029**	(101)	**-**	-
Hedging reserve	**(29,728)**	(4,751)	**-**	-
Employees' share option reserve	**24,755**	24,186	**24,755**	24,186
Retained earnings	**303,664**	300,277	**130,892**	92,877
Total equity attributable to owners of the Company	**1,337,181**	882,574	**1,175,467**	675,385
Non-controlling interests	**4,807**	3,718	**-**	-
Total equity	**1,341,988**	886,292	**1,175,467**	675,385
Group net borrowings (S$)	**688,367**	1,023,034	**n.a.**	n.a.
Group net gearing (times)	**0.51x**	1.15x	**n.a.**	n.a.

NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
-	**153,464**	2,000	126,999

(ii) Amount repayable after one year

31 Dec 14		31 Dec 13	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
226,614	**752,717**	271,781	866,199

Details of any collateral

As at 31 December 2014, secured bank loans of the Group are secured by specific project assets under project financing of a subsidiary.

As at 31 December 2013, secured bank loans of the Group are secured by a leasehold property and specific project assets under project financing of certain subsidiaries.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	**2013**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before income tax	**53,060**	51,623
Adjustments for:		
Allowance for inventory obsolescence	**989**	109
Amortisation of transaction costs related to borrowings	**582**	1,680
Depreciation, amortisation and impairment	**32,580**	42,108
Employees' share option expense	**569**	1,729
Finance costs	**34,829**	27,519
Financial receivables written off	**2,886**	2,617
Gain on disposal of subsidiaries	**-**	(810)
Gain on disposal of an associate and a joint venture	**(54,118)**	-
(Gain)/loss on sale of property, plant and equipment	**(103,684)**	39
Impairment of trade and other receivables	**28,069**	8,441
Intangible assets arising from service concession arrangements written off	**990**	-
Interest income	**(4,047)**	(2,318)
Loss/(gain) on liquidation of subsidiaries	**98**	(3)
Property, plant and equipment written off	**220**	10
Share of losses of associates and joint ventures, net of income tax	**11,313**	5,351
	4,336	138,095
Change in inventories	**(10,534)**	(4,620)
Change in gross amounts due for contract work	**2,577**	13,175
Change in trade and other receivables	**(20,252)**	(36,450)
Change in trade and other payables	**8,836**	(64,573)
Cash (used in)/from operating activities before service concession arrangement projects	**(15,037)**	45,627
Change in financial receivables from service concession arrangements	**(3,163)**	(33,369)
Change in intangible assets arising from service concession arrangements	**(198,916)**	(427,848)
Cash used in operating activities after service concession arrangement projects	**(217,116)**	(415,590)
Income tax paid	**(9,017)**	(6,841)
Net cash used in operating activities	**(226,133)**	(422,431)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Group	
	2014	2013
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of intangible assets	**(1,945)**	(6,762)
Acquisition of property, plant and equipment	**(11,855)**	(6,704)
Acquisition of other investments	**(515)**	-
Additional investments in an associate	**(8,589)**	-
Additional investments in a joint venture	**(206)**	(964)
Deposits received	**5,565**	-
Dividends received from associates	**6,238**	1,620
Effect of changes in control of consolidated entities	**-**	(14,714)
Interest received	**3,287**	1,204
Loans to a joint venture	**(18,660)**	-
Net cash outflow on liquidation of subsidiaries	**-**	(167)
Net proceeds from disposal of an associate and a joint venture	**63,432**	-
Net proceeds from sale of property, plant and equipment	**169,536**	70
Net cash from/(used in) investing activities	**206,288**	(26,417)
Cash flows from financing activities		
Dividends paid	**(51,579)**	(50,437)
Dividends paid to non-controlling interests of subsidiaries	**-**	(1,048)
Decrease in deposits pledged	**1,832**	4,964
Interest paid	**(51,227)**	(38,737)
Net proceeds from perpetual capital securities issued	**469,096**	-
Proceeds from borrowings	**66,981**	704,807
Proceeds from exercise of share options	**371**	1,691
Purchases of treasury shares	**(10,452)**	-
Repayment of borrowings	**(214,834)**	(453,204)
Net cash from financing activities	**210,188**	168,036
Net increase/(decrease) in cash and cash equivalents	**190,343**	(280,812)
Cash and cash equivalents at beginning of the year	**182,585**	449,015
Effect of exchange rate fluctuations on cash held	**9,116**	14,382
Cash and cash equivalents at end of the year [Note 1(c)(i)]	**382,044**	182,585

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1(c)(i) Cash and cash equivalents included in consolidated statement of cash flows comprise of the following:

	Group	
	31 Dec 2014	31 Dec 2013
	S$'000	S$'000
Cash and cash equivalents as per statement of financial position	**444,428**	243,945
Less: Bank overdraft	**(56,658)**	(59,217)
Less: Deposits pledged	**(5,726)**	(2,143)
Cash and cash equivalents as per statement of cash flows	**382,044**	182,585

1 (d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	7,560	(101)	(4,751)	24,186	300,277	882,574	3,718	886,292
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	57,469	57,469	1,344	58,813
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	-	10,410	-	-	-	10,410	(275)	10,135
Realisation of foreign currency translation to profit or loss	-	-	-	-	(163)	-	-	-	(163)	-	(163)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(24,546)	-	-	(24,546)	-	(24,546)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	(915)	-	-	(915)	-	(915)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	3,883	484	-	-	4,367	-	4,367
Total comprehensive income for the year	-	-	-	-	14,130	(24,977)	-	57,469	46,622	1,069	47,691
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	(51,579)	(51,579)	-	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	-	-	469,096	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	-	-	371	-	371
Own shares acquired	-	-	(10,452)	-	-	-	-	-	(10,452)	-	(10,452)
Value of employee services received for issue of share options	-	-	-	-	-	-	569	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	-	-	(2,483)	-	-	-
Total contributions by and distributions to owners	371	469,096	(10,452)	2,483	-	-	569	(54,062)	408,005	-	408,005
Changes in ownership interest in subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	(20)	(20)	20	-
Total transactions with owners	371	469,096	(10,452)	2,483	-	-	569	(54,082)	407,985	20	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**10,043**	**14,029**	**(29,728)**	**24,755**	**303,664**	**1,337,181**	**4,807**	**1,341,988**

STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)

	Share capital	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2013	605,196	(51,484)	9,094	(30,480)	656	22,457	305,154	860,593	16,436	877,029
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	44,026	44,026	(1,130)	42,896
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	14,321	-	-	-	14,321	936	15,257
Effect of changes in control of consolidated entities	-	-	-	(810)	-	-	-	(810)	(332)	(1,142)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(883)	-	-	(883)	-	(883)
Liquidation of subsidiaries	-	-	-	4	-	-	-	4	-	4
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Share of reserve of joint ventures	-	-	(20)	-	-	-	20	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	16,864	1,541	-	-	18,405	-	18,405
Total comprehensive income for the year	-	-	(20)	30,379	(5,407)	-	44,046	68,998	(526)	68,472
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends paid	-	-	-	-	-	-	(50,437)	(50,437)	-	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	-	1,691	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	-	1,729	-	1,729	-	1,729
Transfer to capital reserve	-	-	1,061	-	-	-	(1,061)	-	-	-
	1,691	-	1,061	-	-	1,729	(51,498)	(47,017)	-	(47,017)
Changes in ownership interest in subsidiaries										
Effect of changes in control of consolidated entities	-	-	(2,575)	-	-	-	2,575	-	(12,192)	(12,192)
Total transactions with owners	1,691	-	(1,514)	-	-	1,729	(48,923)	(47,017)	(12,192)	(59,209)
At 31.12.2013	**606,887**	**(51,484)**	**7,560**	**(101)**	**(4,751)**	**24,186**	**300,277**	**882,574**	**3,718**	**886,292**

1 (d)(i) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 1.1.2014	606,887	-	(51,484)	2,919	24,186	92,877	675,385
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	92,077	92,077
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(51,579)	(51,579)
Issuance of perpetual capital securities	-	469,096	-	-	-	-	469,096
Issuance of shares for cash under Employees' Share Option Schemes	371	-	-	-	-	-	371
Own shares acquired	-	-	(10,452)	-	-	-	(10,452)
Value of employee services received for issuance of share options	-	-	-	-	569	-	569
Transfer to capital reserve	-	-	-	2,483	-	(2,483)	-
Total transactions with owners	371	469,096	(10,452)	2,483	569	(54,062)	408,005
At 31.12.2014	**607,258**	**469,096**	**(61,936)**	**5,402**	**24,755**	**130,892**	**1,175,467**
At 1.1.2013	605,196	-	(51,484)	1,858	22,457	88,007	666,034
Profit for the year representing total comprehensive income for the year	-	-	-	-	-	56,368	56,368
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(50,437)	(50,437)
Issuance of shares for cash under Employees' Share Option Schemes	1,691	-	-	-	-	-	1,691
Value of employee services received for issuance of share options	-	-	-	-	1,729	-	1,729
Transfer to capital reserve	-	-	-	1,061	-	(1,061)	-
Total transactions with owners	1,691	-	-	1,061	1,729	(51,498)	(47,017)
At 31.12.2013	**606,887**	-	**(51,484)**	**2,919**	**24,186**	**92,877**	**675,385**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movements in the Company's issued and fully paid-up share capital during the fourth quarter ended 31 December 2014 were as follows:

Issued share capital

	No. of shares	Amount S$'000
Ordinary shares		
At 1 October 2014	827,384,989	163,205
Less: Purchase of treasury shares	(10,400,000)	(10,452)
At 31 December 2014	816,984,989	152,753
Preference shares		
At 1 October 2014 and 31 December 2014	4,000,000	392,569
Issued share capital at 31 December 2014 *(Note A)*		545,322

As at 31 December 2014, the number of ordinary shares in issue were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

The total number of issued 6% Cumulative Non-convertible Non-voting Perpetual Class A Preference Shares (preference shares) as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

Note A:

Per Balance Sheet	S$'000
- Share capital	607,258
- Reserve for own shares	(61,936)
Issued share capital as at 31 December 2014	545,322

Outstanding share options under the Scheme

	No. of options
At 1 January 2014	39,297,750
Options granted	3,030,000
Options granted but not accepted	(50,000)
Exercised/Forfeited	(6,717,500)
At 31 December 2014	35,560,250

As at 31 December 2014, the number of outstanding share options under the Schemes were 35,560,250 (31 December 2013: 39,297,750).

Perpetual capital securities

	Amount S$'000
At 1 October and 31 December 2014	469,096

As at 31 December 2014, perpetual capital securities comprised $300 mil issued at 5.75% per annum and $175 mil issued at 4.80% per annum (31 December 2013: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 December 2014 were 816,984,989 (31 December 2013: 827,007,989), excluding 47,546,000 (31 December 2013: 37,146,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial year ended 31 December 2014. The total number of issued preference shares as at 31 December 2014 were 4,000,000 (31 December 2013: 4,000,000).

In 2014, the Company issued perpetual capital securities amounting to $475 mil (31 December 2013: nil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2014.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company has reviewed the application of the new/revised FRS and Interpretations of FRS that are effective for the financial year beginning on 1 January 2014. Those new/revised FRS and Interpretations of FRS did not result in any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2014	2013	Change %
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-			
Based on the weighted average number of ordinary shares in issue	1.66 cts	2.42 cts	(31.4)
- Weighted average number of shares	824,833,989	826,216,677	(0.2)
On a fully diluted basis of ordinary shares	1.66 cts	2.42 cts	(31.4)
- Adjusted weighted average number of shares	825,038,717	826,761,402	(0.2)

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net assets value per ordinary share:

	Group		Company	
	31 Dec 14 Cents	31 Dec 13 Cents	31 Dec 14 Cents	31 Dec 13 Cents
Based on 816,984,989 (31 December 2013: 827,007,989) ordinary shares in issue	56.6	58.4	36.8	33.3

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a)(i) Revenue and earnings

The Group achieved profit attributable to the shareholders of the Company (PATMI) of $57.5 mil for the financial year ended 31 December 2014 (FY2014), an increase from $44.0 mil for the financial year ended 31 December 2013 (FY2013). Total revenue for FY2014 was $321.4 mil, a 40% decline from FY2013 of $535.8 mil mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. On gross profits, the Group reported $157.5 mil in FY2014 compared to $268.5 mil in FY2013.

In FY2014, the Group entered into a sale and leaseback agreement on its building, Hyflux Innovation Centre (HIC); and disposed of its investments in Hyflux Marmon Development Pte Ltd, a joint venture, as well as Marmon Hyflux Investments Pte Ltd, an associate (collectively as Marmon entities), to Marmon Water (Singapore) Pte Ltd, recognising gains amounting to $103.8 mil and $54.1 mil, respectively. In the last quarter of the year, the Group received confirmation on the capital gain treatment from the tax authority relating to the sale and leaseback of HIC building. Accordingly, taxes previously accrued were reversed adding to the gain on the sale and leaseback of HIC building. These were collectively reported in Other Income of $170.0 mil and contributed to the increase from $10.2 mil in FY2013.

Basic and diluted earnings per share was 1.66 cents for FY2014 (adjusted for dividends on preference shares and perpetual capital securities), compared to the basic and diluted earnings per share of 2.42 cents for FY2013 (adjusted for dividends on preference shares).

Sector Review

Municipal sector continued to be the main contributor to the Group's revenue, accounting for 84% of the total revenue in FY2014. For FY2013, the municipal sector contributed 93%.

Revenue from the industrial sector made up 14% of the Group's revenue in FY2014, increased from 5% in FY2013 as the Group focused on the design and supply of technology packages for various water treatment solutions.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 72% and 83% of the Group's total revenues in FY2014 and FY2013 respectively.

The Group's China market contributed 15% to the total revenue in FY2014, an increase from 9% in FY2013.

Revenue from MENA accounted for 7% in FY2014, an increase from 4% in FY2013.

8(a)(ii) Costs and expenses

Direct costs decreased from $267.3 mil in FY2013 to $163.9 mil in FY2014 in line with revenue.

Staff costs increased marginally from $73.1 mil in FY2013 to $75.2 mil in FY2014.

Depreciation, amortisation and impairment decreased from $42.1 mil in FY2013 to $32.6 mil in FY2014. Higher impairment charges relating to non-core businesses and assets as well as deconsolidation of a subsidiary contributed to higher costs in FY2013.

Finance costs increased by 27% from $27.5 mil in FY2013 to $34.8 mil in FY2014 mainly relating to the financing of the Group's assets under development, the Tuaspring power plant.

Other expenses increased from $79.0 mil in FY2013 to $120.5 mil in FY2014, primarily due to utility charges for the Tuaspring desalination plant (which commenced its operation in September 2013) as a result of the delay in the national grid connection to our power plant, and provisions made against receivables.

Share of losses of associates and joint ventures increased from $5.4 mil to $11.3 mil reflecting lower than expected plant utilisation rates compared to designed capacity.

The Group recorded a net income tax credit of $5.8 mil for FY2014 due mainly to recognition of tax losses available for future utilisation of certain entities as well as reversal of provision relating to prior years.

8(b) Statements of Financial Position Analysis

8(b)(i) The Group

The Group's shareholders' equity increased from $882.6 mil as at 31 December 2013 to $1,337.2 mil as at 31 December 2014. Both perpetual capital securities issuance in January and July 2014 totalling $475.0 mil; and foreign operations translation gains arising from the strengthening of Chinese Renminbi and US Dollars against Singapore dollars contributed to the overall increase in equity base. The increase was, however, lowered by marked-to-market effect of interest rate swaps relating to the Group's floating rate loan, dividends for the year as well as purchase of treasury shares. The Group purchased 10.4 mil treasury shares for a total cost of $10.5 mil during the year.

Current assets increased from $620.9 mil as at 31 December 2013 to $838.8 mil as at 31 December 2014 mainly contributed by the net proceeds from the issuance of perpetual capital securities and divestments during the year. As at 31 December 2014, a leasehold property with carrying value of $4.0 mil was reclassified to asset held for sale pursuant to sale and purchase agreements entered into by the Group with third party. The sale was completed subsequent to year-end upon satisfaction of conditions precedent and legal title transfers.

Non-current assets increased from $1,775.6 mil as at 31 December 2013 to $1,902.9 mil as at 31 December 2014, mainly from the Group's continuing investments in service concession projects and deferred tax assets recognised, offset by the disposal of HIC.

The Group reported an increase in current liabilities from $359.9 mil as at 31 December 2013 to $390.6 mil as at 31 December 2014. Included in the current liabilities was a fixed-rate unsecured notes issued under the Group's Multicurrency Debt Issuance Programme amounting to $75 mil that will become payable in March 2015. The amount was reclassified from long-term borrowings as at year-end.

Non-current liabilities recorded a corresponding decrease from $1,150.4 mil as at 31 December 2013 to $1,009.1 mil as at 31 December 2014 primarily due to the reclassification mentioned above as well as repayment of borrowings during the year. As at 31 December 2014, fixed-rate unsecured notes amounting to $419.1 mil will mature between 2016 and 2019.

The Group's net gearing ratio improved to 0.51 times as at 31 December 2014 from 1.15 times as at 31 December 2013.

8(b)(ii) The Company

The Company's shareholders' equity increased from $675.4 mil as at 31 December 2013 to $1,175.5 mil as at 31 December 2014 mainly contributed by the issuance of perpetual capital securities and divestment of Hyflux Marmon Development Pte Ltd. Its equity base was offset by dividends totalling $51.6 mil during the year and purchase of treasury shares.

8(c) Statement of Cash flows

The Group's overall cash position increased from $243.9 mil as at 31 December 2013 to $444.4 mil as at 31 December 2014.

In FY2014, net cash of $226.1 mil was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash outflows from the Group's operating activities were $15.0 mil.

Cash generated from investing activities of $206.3 mil in FY2014 was largely contributed by net proceeds from the sale and leaseback of HIC as well as disposals of investments in Marmon entities. This was offset by loans to a joint venture, acquisition of property, plant and equipment, and additional capital injection into Tahlyat Myah Magtaa SPA (TMM), the Group's 47% associate.

The issuance of $475 mil perpetual capital securities in aggregate in January and July 2014 contributed to the net financing inflows in FY2014. The inflow was offset by repayment of borrowings including one of its fixed-rate unsecured notes of $60.0 mil; payments of dividends on ordinary shares, preference shares and perpetual capital securities; and interest costs. Proceeds from the issuance of perpetual capital securities are used for continued strategic investments by the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In December 2014, Hyflux was successful in our tender for a contract worth US$250 million to design, build, own and operate an independent water project in Qurayyat, Sultanate of Oman. The Group is on track to signing the Water Purchase Agreement ("WPA") and construction activities will start upon signing of the WPA.

Including the Qurayyat project's engineering, procurement and construction work which is worth US$210 million, the Group's order book stood at $2.9 billion as at year-end, comprising $954 million in EPC projects and $2.0 billion in operations and maintenance contracts.

In Singapore, Hyflux has completed construction of the 411 MW combined cycle gas turbine power plant co-located with Tuaspring Desalination Plant. It is expected to be connected to the national grid in the second half of 2015 after a period of prolonged delay in the grid connection. Following the connection, there will be a period of testing which will have operating cost implications.

Progress to achieve financial close for the Dahej desalination project in Gujarat, India has been slower than anticipated. The Group continues to work closely with our partners to drive the project forward.

The Group is cautiously optimistic about the rebound in the water industry in 2015 amidst a weaker oil price environment. While the first half is likely to be slow, the Group expects a pick-up in the second half. There may also be some opportunities in asset divestment during the year. The Group will continue to focus on capturing growth opportunities in its key markets.

The Group is actively pursuing municipal and industrial projects in selective markets in the Middle East, Africa, Asia and the Americas. In addition, the Group will seek opportunities in infrastructure development projects in Africa and Asia where it can offer value through integrated water and power solutions.

11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.60 cents per ordinary share
Tax rate	One tier tax exempt

(c) Date payable.

Subject to shareholders' approval at the Annual General Meeting to be held on 29 April 2015, the dividend will be paid on 25 May 2015.

(d) Books closure date.

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2015 for the preparation of dividend warrants.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 11 May 2015 will be registered to determine shareholders' entitlement to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 p.m. on 11 May 2015 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Operating segments

Information about reportable segments

	Municipal		Industrial		All other segments		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
External revenues	**269,868**	499,876	**46,410**	28,646	**5,116**	7,268	**321,394**	535,790
Inter-segment revenue	**43**	2,109	**-**	-	**4,567**	9,015	**4,610**	11,124
Interest income	**2,019**	1,557	**35**	674	**16**	-	**2,070**	2,231
Finance costs	**(20,527)**	(11,925)	**(49)**	-	**(588)**	(1,242)	**(21,164)**	(13,167)
Depreciation, amortisation and impairment	**(10,894)**	(5,077)	**(14,121)**	(24,626)	**(2,555)**	(3,322)	**(27,570)**	(33,025)
Reportable segment (loss)/profit before income tax	**(26,219)**	102,409	**(46,030)**	(19,851)	**153,319***	(2,236)	**81,070**	80,322
Share of (loss)/profit of associates and joint ventures, net of income tax	**(9,383)**	(3,585)	**(1,961)**	(4,039)	**31**	2,273	**(11,313)**	(5,351)
Tax credits/(expenses)	**7,594**	(3,928)	**(44)**	(451)	**(1,797)**	(4,348)	**5,753**	(8,727)
Operating lease expenses	**(14,670)**	(14,821)	**(3,472)**	(262)	**(620)**	(1,100)	**(18,762)**	(16,183)
Contribution to defined contribution plan, included in staff cost	**(4,803)**	(4,832)	**(911)**	(986)	**(266)**	(362)	**(5,980)**	(6,180)
Reportable segment assets	**2,028,524**	1,743,328	**161,399**	146,593	**45,093**	105,332	**2,235,016**	1,995,253
Investments in joint ventures	**233,846**	236,310	**-**	-	**-**	974	**233,846**	237,284
Investments in associates	**100,335**	95,224	**-**	1,985	**-**	7,909	**100,335**	105,118
Capital expenditure	**6,112**	3,102	**4,508**	96	**2,199**	1,117	**12,819**	4,315
Reportable segment liabilities	**994,952**	882,102	**25,578**	13,319	**38,965**	75,629	**1,059,495**	971,050

* Included gain from sale and leaseback of HIC building of $103.8 mil and gain on divestments of Marmon entities of $54.1 mil.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014 S$'000	2013 S$'000
Revenues		
Total revenue for reportable segments	**316,278**	528,522
Revenue for all other segments	**5,116**	7,268
Consolidated revenue	**321,394**	535,790
Profit or loss		
Total profit or loss for reportable segments	**(72,249)**	82,558
Profit or loss for all other segments	**153,319**	(2,236)
	81,070	80,322
Unallocated corporate expenses	**(16,697)**	(23,348)
Share of loss of associates and joint ventures, net of income tax	**(11,313)**	(5,351)
Consolidated profit before income tax	**53,060**	51,623
Assets		
Total assets for reportable segments	**2,189,923**	1,889,921
Assets for all other segments	**45,093**	105,332
Investments in associates and joint ventures	**334,181**	342,402
Other unallocated amounts	**172,518**	58,850
Consolidated total assets	**2,741,715**	2,396,505
Liabilities		
Total liabilities for reportable segments	**1,020,530**	895,421
Liabilities for all other segments	**38,965**	75,629
Other unallocated amounts	**340,232**	539,163
Consolidated total liabilities	**1,399,727**	1,510,213

Other material items in 2014

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	**2,070**	**1,977**	**4,047**
Finance costs	**(21,164)**	**(13,665)**	**(34,829)**
Capital expenditure	**12,819**	**1,446**	**14,265**
Depreciation, amortisation and impairment	**(27,570)**	**(5,010)**	**(32,580)**

Other material items in 2013

	Reportable segment totals S$'000	Reconciliations S$'000	Consolidated totals S$'000
Interest income	2,231	87	2,318
Finance costs	(13,167)	(14,352)	(27,519)
Capital expenditure	4,315	10,272	14,587
Depreciation, amortisation and impairment	(33,025)	(9,083)	(42,108)

Geographical information

31 December 2014

	Revenues S$'000	Non-current assets S$'000
Singapore	**232,557**	**1,335,339**
Middle East and North Africa	**21,232**	**80,152**
People's Republic of China	**47,919**	**486,032**
Others	**19,686**	**1,378**
	321,394	**1,902,901**

31 December 2013

	Revenues S$'000 Restated	Non-current assets S$'000 Restated
Singapore	445,112	1,197,919
Middle East and North Africa	22,349	82,614
People's Republic of China	47,276	493,865
Others	21,053	1,237
	535,790	1,775,635

14. Breakdown of sales

	2014 S$'000	2013 S$'000	Increase/ (decrease)
Sales reported for the first half year	**168,962**	262,928	(36)
Profit after tax before non-controlling interests reported for the first half year	**99,360**	25,205	NM
Sales reported for the second half year	**152,432**	272,862	(44)
(Loss)/profit after tax before non-controlling interests reported for the second half year	**(40,547)**	17,691	NM

15. Breakdown of total annual dividend (In dollar value).

	Latest Full Year (2014) S$'000	Previous Full Year (2013) S$'000
Ordinary	**19,026**	26,437
Preference shares	**24,000**	24,000
Perpetual capital securities	**8,553**	-
Total	**51,579**	50,437

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
27 February 2015