HYFLUX LTD
Registration number : 200002722Z

Unaudited First Quarter Financial Statements For The Period Ended 31 March 2018

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 first quarter ended 31 March 2018

	Group		
	Quarter ended 31 Mar		
	2018	2017	Change
	S$'000	S$'000 Restated	%
Revenue	**72,000**	91,528	(21)
Other income	**14,165**	31,561	(55)
Changes in inventories of finished goods and work-in-progress	**(70)**	(1,990)	(96)
Raw materials and consumables used and subcontractors' costs	**(25,098)**	(35,242)	(29)
Staff costs	**(26,131)**	(24,100)	8
Depreciation, amortisation and impairment	**(4,861)**	(4,657)	4
Other expenses	**(16,894)**	(16,680)	1
Finance costs	**(16,252)**	(14,301)	14
Share of profit of equity-accounted investees (net of tax)	**1,677**	1,414	19
(Loss)/profit before tax	**(1,464)**	27,533	NM
Tax credit/(expense)	**690**	(1,000)	NM
(Loss)/profit for the year excluding Tuaspring[1]	**(774)**	26,533	NM
Loss from Tuaspring (net of tax)	**(23,247)**	(26,991)	(14)
Loss for the year	**(24,021)**	(458)	>100
(Loss)/profit (excluding Tuaspring) attributable to:			
Owners of the Company	**1,036**	26,927	(96)
Non-controlling interests	**(1,810)**	(394)	>100
(Loss)/profit for the year excluding Tuaspring	**(774)**	26,533	NM
Loss attributable to:			
Owners of the Company	**(22,211)**	(64)	>100
Non-controlling interests	**(1,810)**	(394)	>100
Loss for the year	**(24,021)**	(458)	>100

NM: Not Meaningful

Note:
1. As announced in February 2017, the Group initiated a partial divestment of Tuaspring Integrated Water and Power Plant ("Tuaspring"), subject to relevant regulatory approvals. Following the announcement, the statement of profit or loss has been presented to show the results of Tuaspring separately from other operations.

1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first quarter ended 31 March 2018

	Group		
	Quarter ended 31 Mar		
	2018	2017	Change
	S$'000	S$'000 Restated	%
Loss for the year	**(24,021)**	(458)	>100
Other comprehensive loss:			
Items that are or may be subsequently reclassified to profit or loss			
Foreign currency translation differences	**1,484**	(6,535)	NM
Effective portion of changes in fair value of cash flow hedges	**13,321**	(20,163)	NM
Gain on disposal of a joint venture	**-**	(15,611)	NM
Share of other comprehensive income of equity-accounted investees	**(2,941)**	(3,976)	(26)
Other comprehensive profit/(loss) for the year, excluding Tuaspring[1]	**11,864**	(46,285)	NM
Other comprehensive profit/(loss) of Tuaspring	**8,235**	(12,095)	NM
Total comprehensive loss for the year	**(3,922)**	(58,838)	(93)
Total comprehensive loss attributable to:			
Owners of the Company	**(642)**	(52,872)	(99)
Non-controlling interests	**(3,280)**	(5,966)	(45)
Total comprehensive loss for the year	**(3,922)**	(58,838)	(93)

NM: Not Meaningful

Note:
1. As announced in February 2017, the Group initiated a partial divestment of Tuaspring Integrated Water and Power Plant ("Tuaspring"), subject to relevant regulatory approvals. Following the announcement, the statement of comprehensive income has been presented to show the results of Tuaspring separately from other operations.

NOTES TO CONSOLIDATED INCOME STATEMENT

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

	Group		
	Quarter ended 31 Mar		
	2018	2017	Change
	S$'000	S$'000	%
Impairment loss on trade and other receivables (net)	**(140)**	(55)	>100
Interest income	**13,058**	13,267	(2)
Net foreign currency exchange loss	**(433)**	(3,190)	(86)
Gain on disposal of a joint venture	**-**	16,491	NM
Changes in tax estimates related to prior years	**3**	1,964	>100

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 March 2018

	Group		Company	
	31 Mar 18 S$'000	31 Dec 17 S$'000	31 Mar 18 S$'000	31 Dec 17 S$'000
ASSETS				
Property, plant and equipment	**135,885**	121,115	**-**	-
Intangible assets and goodwill	**20,434**	21,023	**-**	-
Subsidiaries	**-**	-	**284,953**	298,874
Associates and joint ventures	**189,027**	190,664	**16,608**	16,475
Deferred tax assets	**17,050**	17,115	**-**	-
Other investments	**-**	-	**20,000**	-
Service concession receivables	**1,183,440**	1,157,945	**-**	-
Trade and other receivables, including derivatives	**4,328**	3,000	**892,347**	895,791
Non-current assets	**1,550,164**	1,510,862	**1,213,908**	1,211,140
Contract assets	**45,978**	42,895	**-**	-
Inventories	**52,146**	48,999	**-**	-
Service concession receivables	**6,326**	6,219	**-**	-
Trade and other receivables, including derivatives	**253,177**	248,791	**771,153**	791,197
Cash and cash equivalents	**233,784**	314,168	**105,066**	97,269
Assets held for sale	**1,474,923**	1,481,291	**-**	-
Current assets	**2,066,334**	2,142,363	**876,219**	888,466
LIABILITIES				
Trade and other payables, including derivatives	**475,989**	491,526	**72,129**	76,826
Loans and borrowings	**361,553**	352,462	**288,623**	290,346
Tax payable	**10,447**	8,894	**6,245**	5,090
Liabilities held for sale	**567,461**	579,187	**-**	-
Current liabilities	**1,415,450**	1,432,069	**366,997**	372,262
Net current assets	**650,884**	710,294	**509,222**	516,204
Trade and other payables, including derivatives	**22,202**	35,895	**-**	-
Loans and borrowings	**1,174,007**	1,173,195	**514,071**	503,550
Deferred tax liabilities	**4,676**	4,504	**-**	-
Non-current liabilities	**1,200,885**	1,213,594	**514,071**	503,550
Net assets	**1,000,163**	1,007,562	**1,209,059**	1,223,794

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018 (cont'd)

	Group		Company	
	31 Mar 18 S$'000	31 Dec 17 S$'000	31 Mar 18 S$'000	31 Dec 17 S$'000
EQUITY				
Share capital	**607,258**	607,258	**607,258**	607,258
Treasury shares	**(85,929)**	(85,929)	**(85,929)**	(85,929)
Perpetual securities	**494,798**	494,798	**494,798**	494,798
Reserves	**(42,062)**	(59,652)	**35,819**	34,993
(Accumulated loss)/retained earnings	**(9,576)**	25,540	**157,113**	172,674
Total equity attributable to owners of the Company	**964,489**	982,015	**1,209,059**	1,223,794
Non-controlling interests	**35,674**	25,547	**-**	-
Total equity	**1,000,163**	1,007,562	**1,209,059**	1,223,794
Group net borrowings (S$'000) [N1]	**1,301,776**	1,211,489	n.a	n.a
Group net gearing (times)	1.30x	1.20x	n.a	n.a

[N1] Group net borrowings exclude borrowings classified as liabilities held for sale.

NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities [N1]

31 Mar 18		31 Dec 17	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
(i) Amount repayable in one year or less, or on demand			
11,209	**350,344**	-	352,462
(ii) Amount repayable after one year			
481,006	**693,001**	489,247	683,948

Details of any collateral

Secured bank loans of the Group were secured over specific project assets of subsidiaries under project financing arrangement.

[N1] Group's borrowings and debt securities exclude borrowings classified as liabilities held for sale.

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 first quarter ended 31 March 2018

	Group Quarter ended 31 Mar	
	2018 S$'000	2017 S$'000 Restated
Cash flows from operating activities		
Loss for the year	**(24,021)**	(458)
Adjustments for:		
Amortisation/write-off of intangible assets	**657**	738
Depreciation	**4,204**	3,919
Employees' share option expense	**235**	204
Net finance costs	**22,836**	22,483
Gain on disposal of a joint venture	**-**	(16,491)
Share of profit of equity-accounted investees, net of tax	**(1,677)**	(1,414)
Tax (credit)/expense	**(648)**	1,069
Impairment loss on trade and other receivables (net)	**140**	55
	1,726	10,105
Changes in:		
Inventories	**(3,122)**	2,010
Contract assets	**(3,083)**	8,856
Trade and other receivables	**(7,582)**	46,226
Trade and other payables	**(14,500)**	(110,580)
Cash used in operating activities before service concession arrangements	**(26,561)**	(43,383)
Change in service concession receivables	**(24,469)**	(38,153)
Cash used in operating activities after service concession arrangements	**(51,030)**	(81,536)
Tax paid	**(145)**	(3,817)
Net cash used in operating activities	**(51,175)**	(85,353)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first quarter ended 31 March 2018

	Group	
	Quarter ended 31 Mar	
	2018	2017
	S$'000	S$'000
		Restated
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(18,097)**	(6,275)
Acquisition of intangible assets	**(101)**	(212)
Disposal of a joint venture	**-**	190,763
Dividends received	**585**	585
Interest received	**1,050**	2,427
Proceeds from sale of property, plant and equipment	**3**	297
Repayment of loan from a joint venture	**-**	79,577
Net cash (used in)/from investing activities	**(16,560)**	267,162
Cash flows from financing activities		
Contribution from non-controlling interests	**-**	5,559
Dividends paid	**-**	(8,551)
Restricted bank balances	**870**	(24,134)
Interest paid	**(25,628)**	(23,724)
Payment of transaction costs related to loans & borrowings	**(321)**	(1,569)
Proceeds from borrowings	**37,187**	476,526
Redemption of perpetual securities	**-**	(295,000)
Repayment of borrowings	**(28,456)**	(172,766)
Net cash used in financing activities	**(16,348)**	(43,659)
Net (decrease)/increase in cash and cash equivalents	**(84,083)**	138,150
Cash and cash equivalents at beginning of the period	**324,375**	260,322
Effect of exchange rate fluctuations on cash held	**(1,235)**	(7,802)
Cash and cash equivalents at end of the period [Note 1(c)(i)]	**239,057**	390,670

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 Mar 18 S$'000	31 Mar 17 S$'000
Cash and cash equivalents in the statements of financial position	**233,784**	386,451
Cash and cash equivalents included in assets held for sale	**70,987**	80,470
Restricted bank balances	**(65,714)**	(76,251)
Cash and cash equivalents in the statement of cash flows	**239,057**	390,670

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
For the first quarter ended 31 March 2018

	Share capital	Treasury shares	Perpetual securities	Capital reserve	Translation reserve	Hedging reserve	Employees' share option reserve	(Accumulated loss)/ retained earnings	Total	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 01.01.2018, as previously stated	607,258	(85,929)	494,798	15,009	(39,982)	(60,450)	25,771	25,540	982,015	25,547	1,007,562
Impact of new accounting standards	-	-	-	-	-	-	-	(3,198)	(3,198)	(514)	(3,712)
At 01.01.2018, as restated	607,258	(85,929)	494,798	15,009	(39,982)	(60,450)	25,771	22,342	978,817	25,033	1,003,850
Total comprehensive income for the period											
Loss for the period	-	-	-	-	-	-	-	(22,211)	(22,211)	(1,810)	(24,021)
Share of profit of non-controlling interest	-	-	-	-	-	-	-	4,805	4,805	(4,805)	-
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	1,299	-	-	-	1,299	185	1,484
Effective portion of changes in fair value of cash flow hedges [1]	-	-	-	-	-	18,406	-	-	18,406	3,150	21,556
Share of other comprehensive income of equity-accounted investees	-	-	-	-	(3,071)	130	-	-	(2,941)	-	(2,941)
Total comprehensive income for the period	-	-	-	-	(1,772)	18,536	-	(17,406)	(642)	(3,280)	(3,922)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends	-	-	-	-	-	-	-	(13,921)	(13,921)	13,921	-
Value of employee services received	-	-	-	-	-	-	235	-	235	-	235
Transfer to capital reserve	-	-	-	591	-	-	-	(591)	-	-	-
Total transactions with owners	-	-	-	591	-	-	235	(14,512)	(13,686)	13,921	235
At 31.03.2018	**607,258**	**(85,929)**	**494,798**	**15,600**	**(41,754)**	**(41,914)**	**26,006**	**(9,576)**	**964,489**	**35,674**	**1,000,163**

[1] Includes $8,235,000 relating to Tuaspring

STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)
For the first quarter ended 31 March 2017

	Share capital	Treasury shares	Perpetual securities	Capital reserve	Translation reserve	Hedging reserve	Employees' share option reserve	(Accumulated loss)/ retained earnings	Total	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 01.01.2017, as restated	607,258	(85,929)	785,280	16,720	(7,152)	(24,207)	25,392	209,398	1,526,760	21,326	1,548,086
Total comprehensive income for the period											
Profit for the period, as previously stated	-	-	-	-	-	-	-	822	822	(394)	428
Reinstatement from Held for Sale	-	-	-	-	-	-	-	(886)	(886)	-	(886)
Loss for the period, as restated	-	-	-	-	-	-	-	(64)	(64)	(394)	(458)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	(6,003)	-	-	-	(6,003)	(532)	(6,535)
Effective portion of changes in fair value of cash flow hedges [(1)]	-	-	-	-	-	(27,218)	-	-	(27,218)	(5,040)	(32,258)
Disposal of a joint venture	-	-	-	(189)	(15,422)	-	-	-	(15,611)	-	(15,611)
Share of other comprehensive income of equity-accounted investees	-	-	-	-	(4,028)	52	-	-	(3,976)	-	(3,976)
Total comprehensive income for the period (restated)	-	-	-	(189)	(25,453)	(27,166)	-	(64)	(52,872)	(5,966)	(58,838)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends	-	-	-	-	-	-	-	(8,551)	(8,551)	-	(8,551)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	5,559	5,559
Redemption and repurchase of perpetual securities	-	-	(290,482)	(4,518)	-	-	-	-	(295,000)	-	(295,000)
Value of employee services received	-	-	-	-	-	-	204	-	204	-	204
Transfer to capital reserve	-	-	-	596	-	-	-	(596)	-	-	-
Total transactions with owners	-	-	(290,482)	(3,922)	-	-	204	(9,147)	(303,347)	5,559	(297,788)
At 31.03.2017 (restated)	**607,258**	**(85,929)**	**494,798**	**12,609**	**(32,605)**	**(51,373)**	**25,596**	**200,187**	**1,170,541**	**20,919**	**1,191,460**

[(1)] Includes ($12,095,000) relating to Tuaspring

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

For the first quarter ended 31 March 2018

	Share capital	Treasury shares	Perpetual securities	Capital reserve	Employees' share option reserve	(Accumulated loss)/ retained earnings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At 01.01.2018	607,258	(85,929)	494,798	9,222	25,771	172,674	1,223,794
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	(1,049)	(1,049)
Total comprehensive income for the period	-	-	-	-	-	(1,049)	(1,049)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	(13,921)	(13,921)
Value of employee services received	-	-	-	-	235	-	235
Transfer to capital reserve	-	-	-	591	-	(591)	-
Total transactions with owners	-	-	-	591	235	(14,512)	(13,686)
At 31.03.2018	**607,258**	**(85,929)**	**494,798**	**9,813**	**26,006**	**157,113**	**1,209,059**
At 01.01.2017	607,258	(85,929)	785,280	11,373	25,392	122,159	1,465,533
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	21,166	21,166
Total comprehensive income for the period	-	-	-	-	-	21,166	21,166
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends	-	-	-	-	-	(8,551)	(8,551)
Redemption and repurchase of perpetual securities	-	-	(290,482)	(4,518)	-	-	(295,000)
Value of employee services received	-	-	-	-	204	-	204
Transfer to capital reserve	-	-	-	596	-	(596)	-
Total transactions with owners	-	-	(290,482)	(3,922)	204	(9,147)	(303,347)
At 31.03.2017	607,258	(85,929)	494,798	7,451	25,596	134,178	1,183,352

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 first quarter ended 31 Mar 2018 were as follows:

Issued share capital

	No. of shares	Amount S$'000
Ordinary shares		
At 1 Jan 2018 and 31 Mar 2018	785,284,989	128,760
Preference shares		
At 1 Jan 2018 and 31 Mar 2018	4,000,000	392,569
Issued share capital at 31 Mar 2018 *(Note A)*		521,329

As at 31 Mar 2018, the number of ordinary shares in issue were 785,284,989 (31 Mar 2017: 785,284,989), excluding 79,246,000 (31 Mar 2017: 79,246,000) 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 Mar 2018 were 4,000,000 (31 Mar 2017: 4,000,000).

As the Preference Shares were not redeemed by the Company on the First Call Date, being 25 April 2018, the dividend will accrue at the rate of 8% per annum on and from the First Call Date.

Note A:

Per Statement of Financial Position	S$'000
- Share capital	607,258
- Treasury shares	(85,929)
Issued share capital as at 31 Mar 2018	521,329

Outstanding share options

	No. of options
At 1 Jan 2018	32,106,000
Forfeited	(278,000)
At 31 Mar 2018	31,828,000

As at 31 Mar 2018, the number of outstanding share options were 31,828,000 (31 Mar 2017: 28,883,000).

Perpetual securities

	Amount S$'000
At 1 Jan 2018 and 31 Mar 2018	494,798

As at 31 Mar 2018, perpetual securities ("perps") relate to the $500 mil 6.00% per annum perps, issued on 27 May 2016.

Perpetual securities (cont'd)

As at 31 Mar 2017, perps relate to the $500 mil 6.00% per annum perps, issued on 27 May 2016.

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 Mar 2018 were 785,284,989 (31 Dec 2017: 785,284,989), excluding 79,246,000 (31 Dec 2017: 79,246,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial period ended 31 Mar 2018. The total number of issued preference shares as at 31 Mar 2018 were 4,000,000 (31 Dec 2017: 4,000,000).

The total amount of perpetual securities issued as at 31 Mar 2018 were $500 mil (31 Dec 2017: $500 mil).

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 period ended 31 Mar 2018.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017.

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's financial statements for the financial period beginning 1 January 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)) issued by the Accounting Standards Council ("ASC").

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I) *First-time Adoption of Singapore Financial Reporting Standards (International)*.

SFRS(I) 1
The Group does not expect to have significant impact arising from the adoption of SFRS(I) 1 and does not apply any transition provisions or optional exemptions under SFRS(I) 1.

Adoption of SFRS(I)s

The Group has adopted the following new SFRS(I)s which took effect from the financial period beginning 1 January 2018:

SFRS(I) 9 *Financial Instruments*
SFRS(I) 15 *Revenue from Contracts with Customers*

The adoption of SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempts the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of FRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017. SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

1) Classification and measurement

   The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9. As a result, certain balance sheet items and retained earnings were adjusted as at 1 January 2018. The impact on the impairment in trade and other receivables and service concession receivables as at 1 January 2018 and as at 31 March 2018 was $3.7 million.

2) Impairment of financial assets

   Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. As a result, receivables and retained earnings as at 1 January 2018 were adjusted. Other than SFRS(I) 9, the adoption of these SFRS(I)s did not have any significant impact on the financial statements of the Group.

The financial effects of adopting SFRS(I) 9 are as follows:

	1 Jan 2018 S$'000
Group Balance Sheet	
Decrease in service concession receivables	(2,990)
Decrease in trade and other receivables, including derivatives	(722)
Decrease in net assets	(3,712)
Decrease in retained earnings	(3,198)
Decrease in non-controlling interests	(514)
Decrease in total equity	(3,712)

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.

	Group		
	31 Mar 2018	31 Mar 2017 Restated	Change %
Loss 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]	(4.53 cts)	(1.82 cts)	>100
- Weighted average number of shares	785,284,989	785,284,989	-
On a fully diluted basis of ordinary shares[1]	(4.53 cts)	(1.82 cts)	>100
- Adjusted weighted average number of shares	785,284,989	785,495,085	-
Excluding Tuaspring			
(Loss)/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[2]	(1.57 cts)	1.61 cts	NM
- Weighted average number of shares	785,284,989	785,284,989	-
On a fully diluted basis of ordinary shares[2]	(1.57 cts)	1.61 cts	NM
- Adjusted weighted average number of shares	785,284,989	785,495,085	-

[1] *adjusted for dividends attributable to perpetual preference shares and perpetual securities of $13.4mil for the quarter ended 31 March 2018. Excluding these adjustments, the loss per share would have been 2.83 cents (31 March 2017: loss per share of 0.01 cents).*

[2] *adjusted for dividends attributable to perpetual preference shares and perpetual securities of $13.4mil for the quarter ended 31 March 2018. Excluding these adjustments, the earnings per share would have been 0.13 cents (31 March 2017: earnings per share of 3.43 cents).*

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 asset value per ordinary share:

	Group		Company	
	31 Mar 18	31 Dec 17	31 Mar 18	31 Dec 17
	Cents	Cents	Cents	Cents
Based on 785,284,989 (31 Dec 2017: 785,284,989) ordinary shares in issue	13.1	14.1	39.7	41.7

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) Revenue, costs and earnings

The Group's revenue for the first quarter ("1Q2018") at $72.0 mil (excluding Tuaspring Integrated Water and Power Project or "Tuaspring") was lower by approximately 21% as compared to the corresponding period in 2017. This was due mainly to lower revenue from the Engineering, Procurement and Construction ("EPC") activities, in line with the construction phases of the major projects.

Profit attributable to the shareholders of the Company, excluding Tuaspring, was $1.0mil for 1Q2018 as compared to a profit of $26.9 mil for the same period last year ("1Q2017").

Tuaspring has been classified as Held for Sale since the announcement for the planned partial divestment in February 2017. The weak power market in Singapore recorded an uptick in wholesale electricity price in March, resulting in lower loss of $23.2 mil for Tuaspring in 1Q2018 against $27.0 mil in 1Q2017.

Including Tuaspring results, the Group recorded a loss attributable to shareholders of $22.2 mil for 1Q2018 against a restated near breakeven position in 1Q2017. The restatement of the 1Q2017 results was due to the reinstatement of depreciation charge for Tianjin Dagang. While the Group remains committed to the divestment of Tianjin Dagang, the sale process has extended beyond one year and no longer meets the reporting criteria to be classified as Held for Sale.

Other income for the Group of $14.2 mil for 1Q2018 was lower than other income of $31.6 mil in 1Q2017, which included a one-off gain of $16.5 mil from the disposal of the Group's 50% stake in its joint venture, Galaxy Newspring Pte Ltd, in March 2017.

Staff costs increased in 1Q2018, due largely to the work progress of TuasOne WTE project, which is in a manpower-intensive phase of construction.

Increase in finance costs related mainly to the additional drawdown for the Group's project financing, following project milestone achievements.

Share of profit of equity-accounted investees increased due to the improved performance of one of the Algerian plants.

Sector Review

Municipal sector, being the main contributor to the Group's revenue, accounted for approximately 81% or $58.7 mil of the total revenue in 1Q2018 (1Q2017: 87% or $79.2 mil).

Industrial revenue for 1Q2018 of $12.0 mil, which accounted for 17% of the Group's revenue (1Q2017: 12% or $11.0 mil). This was largely contributed from an EPC project in the Kingdom of Saudi Arabia.

Geographical Review

The Singapore market, the key market of the Group, contributed 58% or $41.4 mil in 1Q2018 (1Q2017: 64% or $58.6 mil) of the Group's total revenue respectively. The lower revenue from the Singapore market was mainly due to the lower EPC activities in the TuasOne WTE project.

Revenue from Middle East & North Africa ("MENA") region was 32% or $22.8 mil in 1Q2018, higher than 1Q2017 which contributed 26% or $23.6 mil in 1Q2017, mainly contributed by the EPC activities in the Qurayyat IWP project and the contribution from the Operations & Maintenance ("O&M") of a desalination plant in Algeria.

China market contributed 8% or $6.1 mil of the Group's total revenue in 1Q2018, mainly contributed from the Tianjin Dagang plant.

Rest of World accounted for 2% of total revenue in 1Q2018 and 1Q2017.

8(b) Statements of Financial Position Analysis

The Group's equity decreased by $7.4 mil to $1.0 bil as at 31 March 2018. The decrease was mainly contributed by the losses incurred from operations for 1Q2018, and offset mainly by the gain on interest rate swaps.

Subsequent to the Group's initiation to partially divest its equity interest in Tuaspring, the identified assets and liabilities of Tuaspring were classified as assets/liabilities held for sale. Tianjin Dagang ceased to be classified as Held for Sale as it no longer meets the requirement under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. As at 31 March 2018, the assets and liabilities held for sale related largely to Tuaspring.

Total assets declined by $36.7 mil as at 31 March 2018 to $3.6 bil as at 31 March 2018 mainly attributable to lower cash balance due to utilisation for operating activities, payment of interest and dividends, and impairment in trade and other receviables arising from credit risk assessment required under SFRS(I) 9.

Total liabilities decreased marginally by $29.3 mil to $2.6 bil as at 31 March 2018 due mainly to net settlement of trade payables for the TuasOne WTE and Qurayyat projects, offset by the drawdown of the long-term secured project financing loans.

8(c) Statement of Cash Flows

Net cash of $51.2 mil (1Q2017: $85.4 mil) were used in the Group's operating activities in 1Q2018, mainly towards the Group's investments in projects with service concession arrangements and other operating activities. Excluding investments in the Group's projects, cash used in operating activities was $26.6 mil.

Cash used in investing activities of $16.6 mil in 1Q2018 was mainly for the acquisition of membranes for a desalination plant.

Net cash used in financing activities of $16.3 mil was mainly for the repayment of bank loans, payments of interest during the period, offset by the proceeds from secured project finance loans for the Group's projects and drawdown of corporate loans.

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.

The Group's performance in the next 12 months is still largely driven by the Singapore power market. While wholesale electricity prices have shown improvement in the last two months reducing losses for the Group, a stronger rebound at a sustained pace is needed to turn the Group profitable in 2018.

In early April 2018, the Group announced the award of a contract to supply a seawater reverse osmosis desalination package at a contract value of EUR 68.7 million, with an additional EUR 10.5 million for optional add-ons. This will contribute to the Group's financial performance starting from 2Q2018.

This is in addition to the execution of the TuasOne WTE project in Singapore, which is on schedule for completion in 2019. The Qurayyat IWP in Oman started delivering water to the offtaker in April 2018. Contract negotiations for the Ain Sokhna Integrated Water and Power Project in Egypt, which is converting from an EPC contract to a Build, Operate and Transfer structure, is in progress.

As previously announced, divestment discussions of the Tuaspring and Tianjin Dagang plants are in progress with interested parties. Separate discussions are also underway with potential investors keen on strategic collaboration with intention to inject additional funds for the Group's growth activities. Appropriate announcements on these discussions will be made when agreements are reached.

11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Nil

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

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

In January 2017, the Company paid dividends of $8.7 mil on its $300 mil 5.75% per annum perpetual securities.

In March 2017, the Company declared a tax-exempt (one-tier) dividend to holders of perpetual preference shares, calculated on the basis of 182 days from (and including) 25 October 2016 to (but excluding) 25 April 2017 (being the relevant dividend period). The said preference dividend of $12.0 mil was paid on 25 April 2017.

(c) Date payable.

Not applicable

(d) Books closure date.

Not applicable

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

Not applicable.

13. 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.

14. Confirmations pursuant to Listing Rules.

(a) Confirmation pursuant to Rule 705(5) of the Listing Manual

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the quarter ended 31 March 2018 to be false or misleading in any material aspect.

(b) Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1).

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
9 May 2018