

Unaudited Financial Statements and Distribution Announcement for the First Quarter ended 31 March 2010

TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Consolidated Income Statement	2
1(a)(ii)	Consolidated Statement of Comprehensive Income	3
1(b)(i)	Statements of Financial Position as at 31 March 2010	4
1(b)(ii)	Aggregate amount of borrowings and debt securities	6
1(c)(i)	Consolidated Cash Flow Statement	7
1(c)(ii)	Cash Distribution Statement and Distribution Per Unit ("DPU")	9
1(d)(i)	Statements of changes in unitholders' fund	10
1(d)(ii)	Details of any change in Units	11
2 & 3	Review Statement	11
4 & 5	Changes in Accounting Policies	11
6	Earnings per unit ("EPU")	12
7	Net asset value ("NAV") per unit	12
8	Review of the performance	13
9	Review against forecast and Prospectus (if previously disclosed)	17
10	Outlook and Prospects	17
11 & 12	Distributions	18
13	Interested Person Transactions	18
14	Confirmation by the Board	19

Hyflux Water Trust
Unaudited Financial Statements for the First Quarter ended 31 March 2010

1(a)(i) Consolidated Income Statement for the period ended

	GROUP		Var
	Quarter ended		
	31 Mar		
	2010	2009	
S\$'000	S\$'000	%	
Revenue			
Operating and maintenance income	4,343	4,228	3%
Finance income	1,745	1,730	1%
Construction revenue	16	8,093	(100)%
Total revenue	6,104	14,051	(57)%
Operating expenses			
Construction expense	(16)	(8,093)	(100)%
Electricity costs	(939)	(825)	14%
Manpower costs	(370)	(303)	22%
Operation and Maintenance fees			
Chemical costs	(174)	(135)	29%
Maintenance costs	(353)	(229)	54%
Sludge treatment	(180)	(178)	1%
Management services fee	(220)	(174)	26%
Amortisation	(977)	(552)	77%
Other operating expenses	(474)	(605)	(22)%
Total operating expenses	(3,703)	(11,094)	(67)%
Net operating income	2,401	2,957	(19)%
Trustee-Manager's management fees	(229)	(209)	10%
Other trust expenses	(170)	(158)	8%
Other income	46	3,997	(99)%
Other finance income	12	413	(97)%
Other finance costs	(507)	(708)	(28)%
Net other finance costs	(495)	(295)	68%
Profit before income tax	1,553	6,292	(75)%
Income tax (expense) / credit	(307)	5	nm
Profit for the period	1,246	6,297	(80)%

nm – not meaningful

1(a)(ii) Consolidated Statement of Comprehensive Income for the period ended

	GROUP		Var
	Quarter ended 31 Mar		
	2010	2009	
	S\$'000	S\$'000	%
Profit for the period	1,246	6,297	(80)%
<u>Other comprehensive (loss) / income:</u>			
Exchange differences on translating foreign operations	(1,686)	11,018	(115)%
Cash flow hedge	-	277	(100)%
Other comprehensive (loss) / income for the period, net of tax	(1,686)	11,295	(115)%
Total comprehensive (loss) / income for the period	(440)	17,592	(103)%

Footnote:

The following items have been included in arriving at the profit for the period:

	GROUP		Var
	Quarter ended 31 Mar		
	2010	2009	
	S\$'000	S\$'000	%
Allowance for doubtful debts	-	(157)	(100)%
Foreign exchange (loss) / gain	(486)	3,997	(112)%

1(b)(i) Statements of Financial Position as at 31 March 2010

	Notes	GROUP		Var	TRUST		Var
		As at 31 Mar	As at 31 Dec		As at 31 Mar	As at 31 Dec	
		2010	2009		2010	2009	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
NON-CURRENT ASSETS							
Intangible assets	(a)	147,634	149,530	(1)%	-	-	-
Investment in subsidiaries		-	-	-	82,097	82,097	-
Financial receivables	(b)	154,134	155,928	(1)%	-	-	-
Trade and other receivables		657	593	11%	203,669	210,648	(3)%
Lease prepayments		14,204	14,450	(2)%	-	-	-
		316,629	320,501		285,766	292,745	
CURRENT ASSETS							
Financial receivables	(b)	3,562	3,746	(5)%	-	-	-
Trade and other receivables		26,842	29,622	(9)%	5,152	4,671	10%
Derivative financial instruments		78	31	152%	78	31	152%
Cash and cash equivalents		30,144	35,880	(16)%	8,567	9,354	(8)%
		60,626	69,279		13,797	14,056	
TOTAL ASSETS		377,255	389,780	(3)%	299,563	306,801	(2)%
NON-CURRENT LIABILITIES							
Deferred tax liabilities		(20,031)	(20,352)	(2)%	-	-	-
Trade payables		(219)	(220)	-	-	-	-
Interest bearing borrowings		-	(89,583)	(100)%	-	(89,583)	(100)%
		(20,250)	(110,155)		-	(89,583)	
CURRENT LIABILITIES							
Trade and other payables		(47,720)	(51,931)	(8)%	(8,006)	(7,028)	14%
Corporate tax payable		(811)	(680)	19%	(226)	(141)	60%
Interest bearing borrowings		(89,696)	-	nm	(89,696)	-	nm
		(138,227)	(52,611)		(97,928)	(7,169)	
TOTAL LIABILITIES		(158,477)	(162,766)	(3)%	(97,928)	(96,752)	1%
NET ASSETS		218,778	227,014	(4)%	201,635	210,049	(4)%
UNITHOLDERS' FUNDS							
Units in issue (net of issue costs)		222,515	222,515	-	222,515	222,515	-
Accumulated losses		(8,159)	(2,296)	255%	(20,880)	(13,153)	59%
Other components of equity		4,422	6,795	(35)%	-	687	(100)%
		218,778	227,014	(4)%	201,635	210,049	(4)%

nm – not meaningful

Footnotes:

(a) Intangible assets comprise the following:

	GROUP	
	As at 31 Mar 2010	As at 31 Dec 2009
	S\$'000	S\$'000
Goodwill ⁽ⁱ⁾	20,343	20,489
Concession rights ⁽ⁱⁱ⁾	127,291	129,041
Intangible assets	147,634	149,530

- (i) On 30 June 2009, HWT acquired the fifth ROFOAR Plant. The provisional goodwill arising from the above acquisition is subject to the finalisation of the net assets and liabilities acquired. HWT has 12 months from the date of acquisition to finalise its acquisition accounting.
- (ii) In accordance with Interpretation of Financial Reporting Standard 112 *Service Concession Arrangements* ("INT FRS 112"), the concession rights are recognised to the extent that the Group has a right to charge fees for the usage of the plants and are amortised over the concession period from the commencement of the operations of the plant.

(b) The Group recognises a financial receivable if it has a contractual right under the concession agreements to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plants. The financial receivable is measured on initial recognition at its fair value. Subsequent to initial recognition, the financial receivable is measured at amortised cost using the effective interest method.

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial receivable (if any), which will be used to reduce the carrying amount of the financial receivable on its balance sheet, (ii) interest income (if any), which will be recognised as finance income in its income statement and (iii) revenue from operating and maintaining the plants in its income statement.

1(b)(ii) Aggregate amount of borrowings and debt securities

Amount repayable within one year

	GROUP		TRUST	
	As at 31 Mar 2010	As at 31 Dec 2009	As at 31 Mar 2010	As at 31 Dec 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowing				
- Amount repayable within one year	90,102	-	90,102	-
Less: Transaction costs in relation to credit facility	(406)	-	(406)	-
	89,696	-	89,696	-

Amount repayable after one year

	GROUP		TRUST	
	As at 31 Mar 2010	As at 31 Dec 2009	As at 31 Mar 2010	As at 31 Dec 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowing				
- Amount repayable after one year	-	90,102	-	90,102
Less: Transaction costs in relation to credit facility	-	(519)	-	(519)
	-	89,583	-	89,583

Under the terms of the revolving credit facility, amounts repaid prior to final maturity date may be re-borrowed and all amounts outstanding must be repaid on the final maturity date. The secured bank loans are repayable in full in February 2011.

Details of any collateral

The bank loans are secured by share mortgages of all the shares of the subsidiaries incorporated or formed to hold or own the PRC subsidiaries.

1(c)(i) Consolidated Cash Flow Statement

Notes

	GROUP	
	Quarter ended 31 Mar	
	2010	2009
	S\$'000	S\$'000
OPERATING ACTIVITIES		
Profit before income tax	1,553	6,292
Adjustments for:		
Amortisation	977	552
Construction revenue	(16)	(8,093)
Allowance for doubtful debts	-	157
Net finance costs	495	295
Unrealised foreign exchange loss / (gain)	424	(4,006)
Operating cash flow before working capital changes	3,433	(4,803)
Changes in working capital:		
Trade and other receivables	(734)	(2,028)
Trade and other payables	120	8,022
Cash generated from operations	2,819	1,191
Tax paid	(230)	(73)
Cash flows from operating activities	2,589	1,118
INVESTING ACTIVITIES		
Interest received	12	12
Cash flows from investing activities	12	12
FINANCING ACTIVITIES		
Distribution paid to unitholders	(7,796)	(5,733)
Finance costs paid	(375)	(46)
Cash flows used in financing activities	(8,171)	(5,779)
Net decrease in cash and cash equivalents	(5,570)	(4,649)
Cash and cash equivalents at beginning of the period	35,880	35,570
Effect of exchange rate fluctuations	(166)	1,126
Cash and cash equivalents at end of the period	30,144	32,047

(a)

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Cash and cash equivalents:

	GROUP	GROUP
	As at 31 Mar 2010	As at 31 Dec 2009
	S\$'000	S\$'000
Cash and cash equivalents as at end of the period	30,144	35,880
Less: Restricted cash at bank	(5,729)	(5,729)
Cash and cash equivalents	24,415	30,151

Restricted cash at bank represents the amount of cash set aside to settle the development costs incurred for the construction of the completing plants acquired pursuant to the initial public offering ("IPO").

1(c)(ii) Cash Distribution Statement and Distribution Per Unit (“DPU”)

HWT makes distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ended on each of the said dates.

The reconciliations of the accounting profit to the distributable cash for the first quarter for the period ended 31 March 2010 and 2009 are as follows:

		GROUP	
		Quarter ended 31 Mar	
Notes	2010	2009	
	S\$'000	S\$'000	
Profit for the period	1,246	6,297	
Distribution adjustments :			
- Amortisation of intangible assets	835	409	
- Amortisation of lease prepayments	142	143	
- Repayment of financial receivables due to INT FRS 112	861	786	
- Deferred tax credit	(177)	(350)	
- Amortisation of transaction costs on credit facility	113	113	
- Unrealised foreign exchange loss / (gain)	424	(4,006)	
- Others	44	45	
Amount available for distribution	3,488	3,437	

		GROUP	
		Quarter ended 31 Mar	
Notes	2010	2009	
	Cents	Cents	
Distribution per unit	(a) 1.16	1.15	

Footnotes:

- (a) The distribution per unit for the first quarter ended 31 March 2010 and 2009 is based on 301,270,933 and 300,000,000 units respectively, being the total number of issued units as at the end of the respective periods.

1(d)(i) Statements of changes in unitholders' fund for the period

GROUP (2010)	Units in issue	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Capital reserve	Accumulated losses	Total Unitholders' funds
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 01/01/2010	222,515	5,168	-	940	687	(2,296)	227,014
Total comprehensive loss for the period	-	(1,686)	-	-	-	1,246	(440)
Distribution to unitholders	-	-	-	-	(687)	(7,109)	(7,796)
At 31/03/2010	222,515	3,482	-	940	-	(8,159)	218,778

GROUP (2009)	Units in issue	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Capital reserve	Accumulated profits	Total Unitholders' funds
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 01/01/2009	221,753	11,699	529	325	-	5,957	240,263
Total comprehensive income for the period	-	11,018	277	-	-	6,297	17,592
Distribution to unitholders	-	-	-	-	-	(5,733)	(5,733)
At 31/03/2009	221,753	22,717	806	325	-	6,521	252,122

TRUST (2010)	Units in issue	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Capital reserve	Accumulated losses	Total Unitholders' funds
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 01/01/2010	222,515	-	-	-	687	(13,153)	210,049
Total comprehensive loss for the period	-	-	-	-	-	(618)	(618)
Distribution to unitholders	-	-	-	-	(687)	(7,109)	(7,796)
At 31/03/2010	222,515	-	-	-	-	(20,880)	201,635

TRUST (2009)	Units in issue	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Capital reserve	Accumulated profits	Total Unitholders' funds
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 01/01/2009	221,753	-	529	-	-	1,720	224,002
Total comprehensive income for the period	-	-	277	-	-	11,758	12,035
Distribution to unitholders	-	-	-	-	-	(5,733)	(5,733)
At 31/03/2009	221,753	-	806	-	-	7,745	230,304

1(d)(ii) Details of any change in Units

		GROUP	
		Quarter ended 31 Mar	
<u>Number of units:</u>	Note	2010	2009
Issued units at beginning of the period		300,711,152	300,000,000
Units issued as payment of Trustee-Manager's management fees	(a)	559,781	-
Total issued units at end of the period		301,270,933	300,000,000

Footnote:

(a) 559,781 units were issued to the Trustee-Manager on 10 March 2010 as partial payment of the Trustee-Manager's management fees for the period from 1 July 2009 to 31 December 2009. This is based on a unit price of S\$0.70, which represents the volume weighted average price of the Trust units traded on the SGX-ST over the last 15 trading days of the said period ended 31 December 2009.

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

The figures for the period ended 31 March 2010 have not been audited nor 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 Trust have consistently applied the same accounting policies and methods of computation as in its 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

Not applicable.

6. Earnings per unit of the Group for the current period reported on and the corresponding period of the immediately preceding financial year

- (i) Weighted average number of units
- (ii) Earnings per unit for the period based on the weighted average number of units in issue (cents) – basic and diluted
- (iii) Number of units issued at end of the period

GROUP	
Quarter ended 31 Mar	
2010	2009
300,847,987	300,000,000
0.41	2.10
301,270,933	300,000,000

7. Net asset value per unit based on units issued at end of the period

	GROUP		TRUST	
	As at 31 Mar 2010	As at 31 Dec 2009	As at 31 Mar 2010	As at 31 Dec 2009
	Cents	Cents	Cents	Cents
Net asset value per unit	73	75	67	70

Footnote:

The NAV per unit as at 31 March 2010 is computed based on 301,270,933 units issued as at end of the period.

The NAV per unit as at 31 December 2009 is computed based on 301,270,933 units which is the 300,711,152 units in issue at end of the period and 559,781 units to be issued to the Trustee-Manager as partial payment of the Trustee-Manager's management fee for the period from 1 July 2009 to 31 December 2009.

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

Review of Income Statement

Three months ended 31 March 2010

For the quarter ended 31 March 2010, total revenue was S\$6.1 million with an operating profit of S\$2.4 million.

Revenue

Total revenue of S\$6.1 million was S\$8.0 million or 57% lower than the 1Q09 revenue of S\$14.1 million, largely attributable to a sharp drop in construction revenue. Excluding construction revenue, the 1Q10 operating and maintenance income and finance income of S\$6.1 million grew marginally by S\$0.1 million or 2% from S\$6.0 million in 1Q09.

Construction revenue of S\$0.02 million for this quarter was S\$8.1 million or 100% lower than that for 1Q09 as plants completed construction. In addition, there was no significant construction cost incurred in this quarter for expansion projects. Construction revenue was recognised on a percentage of completion basis in accordance with Interpretation of Financial Reporting Standard 112 *Service Concession Arrangements* ("INT FRS 112") and was offset by an equivalent construction expense recognised and as such had no impact on operating profit and distributable cash.

Operating and maintenance income for the quarter of S\$4.3 million was S\$0.1 million or 3% higher than 1Q09. This was mainly due to two more plants turning operational, bringing the total number of operational plants to 18 as at 1Q10 as compared to 16 as at 1Q09.

Finance income of S\$1.7 million for the quarter remained relatively consistent with that of 1Q09. Finance income represents the interest income on the financial receivable recognised in respect of the construction services in accordance with INT FRS 112. In accordance with INT FRS 112, whenever the Group receives a payment during the concession period, a portion of such payment will be recognised as finance income.

Operating income

For the quarter ended 31 March 2010, net operating income of S\$2.4 million was S\$0.6 million or 19% lower than the 1Q09 net operating income of S\$3.0 million. This decrease was mainly due to the increase in amortisation of about S\$0.4 million as compared 1Q09, as well as increase in cash operating expenses such as electricity costs and maintenance costs.

The decrease in total operating expenses was mainly due to lower construction costs for the reported quarter. This was however offset by higher operating costs such as amortisation, electricity costs and maintenance costs due to the increased number of operating plants this quarter.

Amortisation of S\$1.0 million comprised amortisation on concession rights and land use rights (accounted for as lease prepayments).

Other operating expenses of S\$0.5 million was contributed by water discharge fees, water procurement charges and taxes such as land and property taxes.

Other income and expenses

Other trust expenses comprised mainly professional fees.

Other income of S\$0.05 million were from related companies transactions offset by unrealised foreign exchange loss due primarily to the depreciation of the US dollar against the Singapore dollar in the reported quarter.

Net other finance costs

Other finance income has decreased from S\$0.4 million to S\$0.01 million mainly due to lower interest income from bank deposits.

Other finance costs of S\$0.5 million comprised mainly interest expense on bank borrowings, amortisation of revolving credit facility fee and commitment fee on the credit facility. The finance cost in 1Q10 was S\$0.2 million lower than 1Q09 due mainly to the higher interest on bank borrowings in 1Q09.

Income tax

Income tax comprised corporate income tax, PRC withholding tax on the interest income from subsidiaries, offset by deferred tax credit arising from the recognition of deferred tax assets on unutilised tax losses. The income tax expense of S\$0.3 million this quarter was due to higher corporate income tax as a result of the increase in the number of plants that were subject to income tax in this quarter and lower deferred tax credit.

Other comprehensive income

The foreign exchange loss on translation of foreign operations in 1Q10 as compared to a gain in 1Q09 was mainly due to the depreciation of the Renminbi against the Singapore dollar during the reported period.

Review of Statements of Financial Position

Group level

Assets

Non-current assets

Total non-current assets decreased by S\$3.9 million or 1% from S\$320.5 million as at 31 December 2009 to S\$316.6 million as at 31 March 2010. This was due to the decrease in intangible assets and financial receivables recognised under INT FRS 112 as a result of amortisation and repayment of financial receivable recognised during this quarter.

Current assets

Current assets decreased by S\$8.7 million or 13% from S\$69.3 million as at 31 December 2009 to S\$60.6 million as at 31 March 2010. The decrease is mainly due to the lower cash balances as a result of distributions paid to unitholders in March 2010. In addition, the offset of other receivables due from the plants' service providers with other payables due to the plants' service providers also contributed to decrease in current assets as at period end.

Liabilities

Non-current liabilities

Total non-current liabilities decreased by S\$89.9 million or 82% from S\$110.2 million as at 31 December 2009 to S\$20.3 million as at 31 March 2010 due mainly to the re-classification of the interest bearing borrowings as current liabilities as at the end of the period as it is repayable within one year.

Current liabilities

Current liabilities increased by S\$85.6 million or 163% from S\$52.6 million as at 31 December 2009 to S\$138.2 million as at 31 March 2010 due mainly to the re-classification of the interest bearing borrowings as current liabilities as at the end of the period as it is repayable within one year. This increase is reduced by the offset of other receivables due from the plants' service providers with other payables due to the plants' service providers.

The re-classification of interest bearing borrowings resulted in net current liabilities of S\$77.6 million as at 31 March 2010, compared to net current assets of S\$16.7 million as at 31 December 2009.

Unitholders' funds

Accumulated losses

The increase in accumulated losses of S\$5.9 million from S\$2.3 million as at 31 December 2009 to S\$8.2 million as at 31 March 2010 was due to S\$7.1 million of distribution paid to unitholders in March 2010 offset by the S\$1.2 million profits generated during the period.

Other components of equity

Foreign currency translation reserve

Foreign currency translation reserve decreased by S\$1.7 million or 33% from S\$5.2 million as at 31 December 2009 to S\$3.5 million as at 31 March 2010 due to the depreciation of the Renminbi against the Singapore dollar from 31 December 2009 to 31 March 2010.

Statutory reserve

PRC regulations require wholly owned foreign enterprises to apportion 10% of annual after tax-profit to the general reserve account until such reserve reaches 50% of the PRC company's registered capital.

Capital reserve

This refers to the after-tax amount from the Sponsor under the Deed of Undertaking, which was entered into between HWT and the Sponsor pursuant to the acquisition of the ROFOAR Plants.

Trust level

Assets

Non-current assets decreased by S\$6.9 million or 2% from S\$292.7 million as at 31 December 2009 to S\$285.8 million as at 31 March 2010. This decrease was due to the lower inter-company loans as at 31 March 2010.

Cash and cash equivalents decreased by S\$0.8 million or 8% from S\$9.4 million as at 31 December 2009 to S\$8.6 million as at 31 March 2010 due mainly to additional investment in a subsidiary during the period.

Liabilities

Non-current liabilities decreased by S\$89.6 mil from 31 December 2009 due to the re-classification of the interest bearing borrowings as current liabilities as at the end of the period as it is repayable within one year.

Current liabilities increased by S\$90.7 million from S\$7.2 million as at 31 December 2009 to S\$97.9 million as at 31 March 2010. This was primarily due to the re-classification of the interest bearing borrowings as current liabilities as at the end of the period as it is repayable within one year. In addition, the increase in intercompany payables as at 31 March 2010 also contributed to the increase in current liabilities.

Unitholders' funds

Accumulated losses

The increase in accumulated losses of S\$7.7 million or 59% from S\$13.2 million as at 31 December 2009 to S\$20.9 million as at 31 March 2010 was due to distribution paid to unitholders in March 2010 as well as the S\$0.6 million loss generated during the period.

Other components of equity

Capital reserve

This refers to the after-tax amount from the Sponsor under the Deed of Undertaking, which was entered into between HWT and the Sponsor pursuant to the acquisition of the ROFOAR Plants.

Review of Consolidated Cash Flow Statement

Three months ended 31 March 2010

As at 31 March 2010, cash and cash equivalents amounted to S\$30.1 million, which was S\$5.7 million or 16% lower compared to 31 December 2009.

The cash generated from operating activities of S\$2.6 million was mainly due to receipts from customers offset by the payment of operating expenses during the period under review.

Cash used in financing activities of S\$8.2 million was mainly due to the distribution paid to unitholders in March 2010 as well as the payment of the interest expense on bank borrowings in this quarter.

Distribution Statement

HWT's policy is to make distributions to unitholders on a semi-annual basis for the six-month period ending 30 June and 31 December of each year.

For 1Q10, the available distributable cash of S\$3.5 million was S\$0.1 million or 3% higher than the available distributable cash of S\$3.4 million for 1Q09. This translates to a cash available for DPU of 1.16 cents for 1Q10 (before taking into account, to the extent necessary, the undertaking by the Sponsor) which is 0.01 cent or 1% higher than the cash available for DPU of 1.15 cents for 1Q09.

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

No forecast for the quarter has been previously disclosed.

10. A commentary at the date of the announcement of the 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 global economic recovery remains tentative and the tightening of credit in the PRC may also affect the rate of its economic activities. Nonetheless, water throughput and tariff revenue of HWT's portfolio of plants are expected to remain fairly stable.

The Trustee-Manager is currently in negotiations to refinance its US\$66 million credit facility which is due in February 2011. The heightened concern over uncertainties in the European Union has not immediately impacted HWT's business and operations. However, a deterioration of the situation could result in a tightening of bank credit and negatively affect the cost of financing.

The plant expansion projects are currently in progress and are scheduled to be completed in 2011. The Trustee-Manager will continue to focus on measures to improve overall performance, such as tariff adjustments, cost management as well as assets enhancement.

The Trustee-Manager remains committed to distribute at least 90% of its distributable cash in 2010.

11. Distributions

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during the financial year under review conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	2010 S\$'000	2010 S\$'000
Hyflux Ltd and its subsidiaries	1,860	16,022

Additional information:

	GROUP Quarter ended 31 Mar 2010 S\$'000
Amount paid / payable by the Group to Hyflux Ltd and its subsidiaries pursuant to existing contracts	2,472
Payments made by the Group on behalf of Hyflux Ltd, its subsidiaries and associates	36
Management fees paid / payable by HWT to the Trustee-Manager in FY2010	229



14. Confirmation by the Board

The Board of Directors of Hyflux Water Trust Management Pte. Ltd. (as Trustee-Manager of HWT) confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results for the period from 1 January 2010 to 31 March 2010 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Pang Yeong Piao
Company Secretary
HYFLUX WATER TRUST MANAGEMENT PTE. LTD.
(Company Registration Number : 200717960D)
As Trustee-Manager of Hyflux Water Trust
Submitted on 13th May 2010 to SGX-ST