

HYFLUX LTD

Company Registration No: 200002722Z

HYFLUX SECURES YET ANOTHER ESTIMATED RMB 291 MILLION WORTH OF WATER PROJECTS IN CHINA

Hyflux Ltd is pleased to announce that its wholly owned subsidiaries (collectively referred to as "Hyflux") have been awarded the following water treatment projects worth about RMB 291 million in China.

(1) Waste Water Treatment Plant, Water Recycling Plant and Potable Water Plants in Shandong Province, Xuecheng District, China

Hyflux has executed two (2) concession agreements with the people's government of Xuecheng District for an exclusive right to operate four (4) plants: one (1) waste water treatment plant with designed capacity of 40,000 m³/day; one (1) water recycling plant with designed capacity of 20,000 m³/day and two (2) potable water plants with a combined designed capacity of 60,000 m³/day.

Under the concessions, Hyflux will be granted exclusive rights to operate the above plants for a period of 25 years each. Hyflux will undertake the refurbishment and upgrading of the said waste water treatment plant and the potable water plants.

In addition, Hyflux will also undertake the design, engineering and construction of the new 20,000 m³/day water recycling plant. The above plants are expected to commence commercial operations by 3rd quarter 2008. The total project investment is estimated to be RMB 160 million.

(2) Waste Water Treatment Plant in Wuxi City, Huishan District, Jiangsu Province, China

Hyflux has been granted exclusive concession rights of 30 years to upgrade, refurbish, operate and maintain a waste water treatment plant with a designed capacity of 10,000 m³/day from the people's government of Huishan District.

This is the second plant which Hyflux developed in Wuxi City, Huishan District, the first being a 20,000 m³/day waste water treatment plant. The estimated project value of this plant is RMB 31 million and is expected to commence operations by early 2008.

(3) Potable Water Plant in Guanyun County, Lianyungang, Jiangsu Province, China

Hyflux has been granted exclusive concession rights of 30 years to build, own operate and transfer a potable water plant with designed capacity of 50,000 m³/day by the people's government of Guanyun county, Lianyungang.

The above plant is estimated to be completed by early 2009, with an estimated value of RMB 100 million.

This is the third plant which Hyflux developed in Guanyun county, Lianyungang the initial two (2) being a waste water treatment plant with a designed capacity of 30,000m³/day and one (1) potable water treatment plant with a designed capacity of 50,000m³/day.

Under all the above concession agreements, Hyflux has a first right to negotiate for the extension of the concession agreements upon expiry of the respective concession terms.

Group CEO and President Ms Olivia Lum says "The repeated award of concession agreements for water treatment plants by local municipalities at similar locations is a recognition of Hyflux' s capability and track record."

With the above 3 projects, Hyflux has now under operation and construction 28 municipal projects comprising 36 water treatment plants in China.

These projects will be funded by Hyflux Group from its existing resources and are not expected to have a material impact for the current financial year.

BY ORDER OF THE BOARD

Yang Ai Chian

Company Secretary

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