

**HYFLUX LTD**

**Company Registration No.: 200002722Z**

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**INCREASE IN SHAREHOLDING IN HYFLUX CEPARATION B.V.**

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Hyflux Ltd (the "Company") is pleased to announce that the Company has increased its shareholding in its Netherlands incorporated subsidiary, Hyflux CEPAration B.V. ("HCBV") from the initial 51% to 70%, through the acquisition of all the shares from Stimulus Venture Capital Fund B.V, and TNO Technostarters B.V, for approximately SGD 700,000.

This increase in shareholding in HCBV reaffirms the Company's position that the research, production and sale of ceramic membranes continues to form an important component in the spectrum of membrane products which the Company is able to offer to its customers.

The other shareholders in HCBV following the increase in shareholding are, Ceramic Partners B.V. and Wafilin B.V.; investment vehicles of senior employees of HCBV. Stimulus Venture Capital Fund B.V, and TNO Technostarters B.V will no longer hold any shares in HCBV.

The above transaction is funded by internal source and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company for the current financial year.

None of the directors and substantial shareholders of the Company have any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

YANG AI CHIAN  
COMPANY SECRETARY  
SUBMITTED ON 10 APRIL 2008 TO SGX-ST