

HYFLUX LTD

Company Registration No: 200002722Z

HYFLUX COMPLETED THE RESTRUCTURING OF ITS BUSINESS IN SINGSPRING INTO CITYSPRING INFRASTRUCTURE TRUST

Following the announcement of Hyflux Ltd (“Hyflux”) on 9 January 2007, Hyflux is pleased to announce the successful completion of the restructuring and divestment of its 20% equity interest in SingSpring Pte Ltd (“SingSpring”) to CitySpring Infrastructure Trust (“CitySpring”) (“Restructuring”).

Completion of Restructuring has culminated in the listing of CitySpring Units at SGX-ST (“Listing”) at S\$0.89 per Unit, with a subscription of 48.7 times.

Pursuant to the Listing:

- (1) Hyflux received S\$20.4 million in cash with a capital gain of approximately S\$8.0 million for divestment of its 20% equity interest in SingSpring.
- (2) Hyflux owns 30% of SingSpring Trust and its subsidiary Hyflux Engineering Pte Ltd continues to be the operator of the SingSpring desalination plant.
- (3) Debt-Equity ratio of the Hyflux Group has been reduced from 0.36 to a net cash position as of 30 September 2006.

For Requisite Disclosure under Chapter 10 of the Listing Manual, please refer to appendix 1.

By Order of the Board

Grace Goh Bee Kheng
Company Secretary

Submitted by Grace Goh Bee Kheng, Company Secretary on 12 February 2007

Appendix 1

Requisite Disclosure under Chapter 10 of the Listing Manual

The Hyflux Group will book a net gain over the book value of approximately S\$ 8.0 million for the divestment of 20% interest in SingSpring. This net gain constitutes approximately 0.65% of the market capitalisation of the Company of S\$1220.9 million, based on the average weighted price of the Company's shares transacted on 4 January 2007 (being the market date preceding the date the agreement for the Partial Divestment is entered by the Company) of S\$2.35.

Based on the Company's latest announced and unaudited consolidated financial statements for the period ended 30 September 2006:

- (a) assuming that the Partial Divestment had been effected as on 30 September 2006, the financial impact on the net tangible assets per share of the Group would be an increase of 1.78 cents per share; and
- (b) assuming that the Partial Divestment had been effected at the beginning of the Group's financial year 2006, the financial impact on the basic earnings per share of the Group would be an increase of \$1.50 cents per share.