



NEWS RELEASE

REGISTRATION OF PROSPECTUS OF HYFLUX WATER TRUST

23 November 2007, Singapore – Singapore Main Board listed Hyflux Ltd (“Hyflux” or the “Company”) is pleased to announce that its wholly-owned subsidiary, Hyflux Water Trust Management Pte. Ltd. (the “Trustee-Manager”), has today registered the prospectus for Hyflux Water Trust (“HWT” or “the Trust”) with the Monetary Authority of Singapore (“MAS”).

The Trustee-Manager is making an Initial Public Offering (the “Offering”) of 165,000,000 Units (“Units”) in Hyflux Water Trust (“HWT”, or the “Trust”), with Hyflux as the sponsor of the Offering.

Commenting on the registration of the HWT prospectus, Ms Olivia Lum, Hyflux’s Group CEO and President said, “HWT is the first pure-play global water business trust to be listed in Asia and will be Hyflux’s primary platform for investing in water-related infrastructure assets. Hyflux is committed to the success of HWT and to demonstrate our commitment, have undertaken to subscribe for new Units which would represent 31.5 per cent of the total number of issued Units, assuming that the over allotment option is not exercised. This will make Hyflux the single largest Unitholder of HWT upon listing. Hyflux has also granted the Trustee-Manager, through the ROFOAR Deed, certain rights of first offer, rights of first refusal and rights to match, to acquire our existing and future wholly-owned water-related infrastructure assets, which currently numbers at 20 with a combined Design Capacity of 760,000 m³/day. In return, through the establishment on HWT, Hyflux will be able to pursue our asset-light strategy, recycle our capital and continue to expand and develop our business. We believe that by leveraging our synergistic business models, both HWT and Hyflux will be able to grow our respective businesses and expand our presence in the water infrastructure sector globally.”

Ms Lum added that the Hyflux O&M Operator and Hyflux EPC Contractor will continue to be the O&M operator and the EPC contractor (to complete certain plants) for HWT’s initial portfolio of assets. HWT’s initial portfolio, which comprises 13 water plants in the PRC that were injected by Hyflux, with a combined Design Capacity of 445,000 m³/day.

The offering price is S\$0.78 per Unit. The Offering consists of (a) an international placement to investors, including institutional and other investors in Singapore (the “Placement”), and (b) an offering to the public in Singapore (the “Public Offer” and together with the Placement, this “Offering”), including 15,000,000 Units reserved for subscription by the directors, management, Employees and business associates of the Sponsor and its subsidiaries (the “Reserved Units”). The indicative minimum size of the Public Offer will be 30,000,000 Units.

J.P. Morgan (S.E.A.) Limited (JPMorgan) is the Sole Global Coordinator, Financial Adviser, Bookrunner and Issue Manager for the Offering. JPMorgan, DBS Bank Ltd and UBS AG, acting through its business group, UBS Investment Bank are Joint Lead Managers and Joint Underwriters of the Offering.

ABOUT HYFLUX LTD

Founded in 1989, Hyflux Ltd has rapidly grown to become one of Asia's leading environmental companies specialising in membrane technologies, with operations in Singapore & Southeast Asia, China, the Middle East & North Africa and India.

Listed on the Singapore Stock Exchange, Hyflux is today an integrated solutions provider offering services that include process design and optimisation, pilot testing, fabrication, and installation, engineering procurement & construction. It is also engaged in the commissioning, operation & maintenance of a wide range of water treatment & liquid separation plants on a turnkey or Design-Build-Own-Operate ("DBOO") arrangement.

Its four key areas of focus are:

- **Water** – Seawater desalination, raw water purification, wastewater cleaning, water recycling, seawater water reclamation and ultra pure water production for municipal and industrial clients as well as home consumer filtration and purification products.
- **Industrial Processes** – Separation, concentration and purification for manufacturing process streams.
- **Energy** - Development of membrane applications in resource recovery, waste recycling and energy reclamation such as used oil recovery and recycling.
- **Specialty Materials** – Development and commercialisation of specialty materials utilising membrane technology, such as lactic acid from natural renewable resources like corn and sugar cane.

In 2006, Hyflux was awarded Water Company of the Year by the UK's Global Water Intelligence at the Global Water Awards. It was also named a Forbes Asia's Best Under a Billion Company in 2006 and 2005.

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IMPORTANT NOTICE

The information contained in this Announcement does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for shares in Hyflux or units in HWT ("Units") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment or investment decision whatsoever.

The information in this Announcement is qualified in its entirety by, and is subject to, the more detailed information set out in the final prospectus ("**Prospectus**"), dated 23 November 2007, registered by the Monetary Authority of Singapore (the "**Authority**") in connection with the IPO. Copies of the Prospectus may be obtained, subject to availability, from J.P. Morgan (S.E.A.) Limited and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. Anyone wishing to purchase the Units should read the Prospectus before deciding whether to purchase the Units and will need to make an application in the manner set out in the Prospectus.

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations or, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in the Units will be subject to investment risks, including the possible loss of the principal amount invested. Investors will have no right to request that the Trustee-Manager redeem or purchase the Units while the Units are listed. It is intended that holders or units ("**Unitholders**") may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("Regulation S")), except in certain transactions exempt from the registration requirements of the Securities Act. The Units are being offered and sold in offshore transactions (as defined in Regulation S) outside the United States to non-US persons in reliance on Regulation S.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Any actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Trustee-Manager or Hyflux or any other person or that these results will be achieved or are likely to be achieved. Potential investors are cautioned not to place undue reliance on these forward-looking statements, which are based on Hyflux's current view of future events.

Any projections as to the financial performance of Hyflux or HWT is not guaranteed and there is no certainty that it can be achieved. Potential investors should read the whole of the Prospectus for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of Hyflux or HWT.