

HYFLUX LTD

Company Registration No: 200002722Z

SYNDICATED LOAN FOR HYFLUX RECEIVES OVERWHELMING RESPONSE

Further to the announcement made on 26 May 2006 regarding a 5-year syndicated loan facility (the "Facility") for US\$100 million, Hyflux Ltd (the "Company") is pleased to announce that the Facility Agreement has been signed for an increased sum of US\$138 million.

The Facility with DBS Bank Ltd and BNP Paribas as the mandated lead arrangers (the "Mandated Lead Arrangers") received overwhelming responses from 12 international banks, excluding the Mandated Lead Arrangers. The commitments received at closing totaled USD 165 million. In consideration of its strong pipeline of projects and to better optimize its capital structure, the Company upsized the Facility from the original US\$100 million to US\$138 million.

The Facility comprises an equal split between a term loan and a revolving credit line. The Company will be using the proceeds from this Facility to fund the Group's projects and other investments as well as refinancing existing borrowings and funding working capital requirements.

Commenting on the successful closing of this Facility, Ms Olivia Lum, Group CEO & President, Hyflux Ltd said, "We are pleased with the overwhelming response and would like to thank the Mandated Lead Arrangers, DBS Bank Ltd and BNP Paribas and the other 12 international banks for their strong support and confidence in Hyflux."

"We have delivered one of our funding strategies through this Facility which will allow our Group to execute our strong pipeline of projects and fund new opportunities not only in China but also in the region," Ms Lum continued.

Assuming the Facility is fully drawn down and based on the Company's balance sheet as at 31 March 2006, our Company's net debt (excluding non-recourse project finance loan) to equity ratio is estimated to be about 0.8 times.

By Order of the Board

Grace Goh Bee Kheng
Company Secretary

Submitted on 1 August 2006, to the SGX-ST