HYFLUX LTD
Company Registration No: 200002722Z

DIVESTMENT OF HYFLUX NEWSPRING (NANTONG) WWTP

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1. TRANSACTION

The Board of Directors of Hyflux Ltd (the "Company" or the "Group") wishes to announce that its wholly-owned subsidiary, Hyflux Utility WWT (YKG) Limited ("HU WWT-YKG") has on 6 June 2016 entered into an agreement (the "Agreement") to divest HU WWT-YKG's entire equity interest (the "Transaction") in its wholly-owned subsidiary Hyflux Newspring (Nantong) WWTP Co., Ltd ("Nantong WWTP") to Jiangsu Yangkou Port Holding Co., Ltd (江苏洋口港股份有限公司).

Nantong WWTP is a company incorporated in the People's Republic of China which holds a wastewater treatment plant located in Yangkou Port, Jiangsu province. Jiangsu Yangkou Port Holding Co., Ltd is a company incorporated in the People's Republic of China and is a state-owned company.

The total cash consideration for the Transaction, which is payable in tranches, is approximately RMB 52 million (equivalent to approximately SGD 11 million) and was determined on an arm's length basis, taking into account, amongst other things, external valuation, the book value as well as the amounts outstanding from Nantong WWTP to the Group.

Payments of the consideration and completion of the Transaction are subject to fulfilment of certain conditions including but not limited to regulatory approval and registrations as set out in the Agreement.

The Nantong WWTP has been classified as held for sale since the last financial year end. The Transaction will not have material financial impact to the Group for the year ending 31 December 2016.

2. INTEREST OF DIRECTOR AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the abovementioned Transaction, save for their shareholdings in the Company.

By Order of the Board

Lim Poh Fong
Company Secretary
6 June 2016