NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

HYFLUX LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200002722Z)

ANNOUNCEMENT

PROPOSED ISSUANCE OF PERPETUAL CAPITAL SECURITIES

Hyflux Ltd (the "**Company**") wishes to announce that, subject to market conditions, it intends to launch a proposed offer and issuance of Singapore Dollar denominated perpetual capital securities (the "**Proposed Issue**") today. The perpetual capital securities will be offered pursuant to exemptions invoked under Sections 274 and 275 of the Securities and Futures Act, Singapore, Cap. 289 ("**SFA**"), as well as Regulation S of the United States Securities Act of 1933. Credit Suisse (Singapore) Limited is appointed as the sole lead manager and bookrunner in connection with the Proposed Issue.

In connection with the Proposed Issue and as the perpetual capital securities, when issued, are intended to be listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company has submitted a listing application to the SGX-ST.

The total amount of perpetual capital securities (which will be issued at 100% of the principal amount) to be offered and issued is subject to a book-building exercise. The Company will announce the total amount of perpetual capital securities subscribed for and issued as soon as pricing takes place. Book-building is expected to commence shortly.

The proceeds from the Proposed Issue (after deducting for expenses relating to the offer and issuance of the perpetual capital securities) are intended to be used for the investments of the Company, its subsidiaries, associated companies and joint ventures, for general working capital, and for general corporate purposes (which may include the repayment of existing borrowings).

The Company will, as and when appropriate, provide Shareholders with further updates when there is material development in relation to the Proposed Issue.

The perpetual capital securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the United States or of any other jurisdiction. This announcement does not constitute an offer of securities for sale in the United States. No public offering of the perpetual capital securities will be made in the United States, and the Company does not intend to register any part of the offer and issue of the perpetual capital securities in the United States.

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BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary

21 July 2014

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