HYFLUX LTD
Company Registration No: 200002722Z

STRATEGIC COLLABORATION BETWEEN HYFLUX AND TUS-HOLDINGS AND TRANSACTION IN CHINA WATER ASSETS

---

1. STRATEGIC COLLABORATION

The Board of Directors of Hyflux Ltd (the "Company" or the "Group") wishes to announce that its wholly-owned subsidiary, Hyflux Capital (Singapore) Pte. Ltd. has today entered into a Shareholders' Agreement ("SHA") with Tuspark Technology Services Investment Ltd. ("Tuspark TSI") to set up an investment holding company ("Invest Co") in which Hyflux Capital (Singapore) Pte. Ltd. will have a 25% shareholding interest.

Tuspark TSI is a subsidiary of TUS-Holdings Co., Ltd, the former Tsinghua University Science Park (TusPark) Development Center founded in August 1994.

The Invest Co is intended to hold strategic investments in water projects in the People's Republic of China.

2. TRANSACTION

Another wholly-owned subsidiary of the Group, Spring China Utility Ltd, has today also entered into Sale and Purchase Agreements (collectively the "SPAs") with Tuspark TSI and Hyflux Capital (Singapore) Pte. Ltd, as shareholders of the Invest Co, to eventually divest to the Invest Co ("Transaction") its entire equity interests in each of Hyflux Utility WWT (ZY) Pte Ltd, Hyflux Utility WTP (FN) Pte Ltd, Hyflux Utility WWTP (LP) Pte Ltd, Hyflux Utility WWT (HCCJ) Pte Ltd and Hyflux Utility WWT (BC) Limited, being the respective special purpose vehicles (collectively the "SPVs") which ultimately hold the Group's following 5 water plants ("Water Plants") in the People's Republic of China, with total designed capacity of 265 MLD:

(a) Zunyi Wastewater Treatment Plant , located in Zunyi City, Guizhou Province;
(b) Funing Water Treatment Plant, located in Yancheng City, Jiangsu Province;
(c) Leping Wastewater Treatment Plant, located in Leping City, Jiangxi Province;
(d) Caojie Wastewater Treatment Plant, located in Chongqing Municipality; and
(e) Beichen Wastewater Treatment Plant, located in Tianjin Municipality

The aggregate consideration ("Consideration") for the Transaction, payable in cash, is in the amount of RMB 890 million (equivalent to SGD 195 million) and was determined on an arm's length basis, taking into account, amongst other things, the historical financial performances and business potential of the SPVs and Water Plants.

The Consideration is payable in tranches subject to the fulfilment of certain conditions including but not limited to regulatory approval and registrations as set out in the SPAs.

The aggregate book value of the SPVs and Water Plants including estimated directly attributable expenses and charges as at 30 June 2015 is SGD 153 million. The Group would account for the Transaction in its consolidated financial statements for the period ended 30 June 2015.

3. 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 transactions (including the Transaction), save for their shareholdings in the Company.

By Order of the Board

Lim Poh Fong
Company Secretary
30 June 2015

About Hyflux

Hyflux is a leading fully-integrated provider of water and power management and innovative environmental solutions. Headquartered and listed in Singapore, Hyflux has operations and projects in Southeast Asia, China, India, the Middle East and North Africa. Hyflux is committed to providing cost-effective and sustainable solutions in seawater desalination, water recycling, wastewater treatment, including membrane bioreactor (MBR) and potable water treatment. The Group's track record includes Singapore's first water recycling plant and two seawater reverse osmosis (SWRO) desalination plants, and some of the world's largest SWRO desalination plants in China and Algeria.

About TUS-Holdings Co., Ltd

Tus-Holdings is a large integrated enterprise established in reliance on Tsinghua University. It takes full responsibility for developing, constructing, operating and managing TusPark, a gathering place for multinational R&D headquarters, Chinese technology enterprise headquarters and innovative and entrepreneurial enterprises. It has successfully extended the experience of TusPark (Beijing) to nearly 20 cities and areas, such as Shanghai, Nanjing, Kunshan, Xi'an, Xianyang and Guangzhou, established the first Sino-US cross-border incubator in Silicon Valley, and made efforts to expand the park business in Hong Kong, South Korea, Russia, Israel and other countries and regions.