



HYFLUX LTD

Company Registration No.: 200002722Z
(Incorporated in the Republic of Singapore)

**INCREASE IN ISSUED AND PAID-UP CAPITAL OF HIH DAHEJSPRING
DESALINATION PTE LTD**

The Board of Directors of Hyflux Ltd (the “**Company**”) wishes to announce that HIH DahejSpring Desalination Pte Ltd (“**HIH DahejSpring**”) has increased its share capital from S\$2 to S\$310,000 by the issuance of 309,998 ordinary shares for S\$309,998 in cash.

HIH DahejSpring is the holding company of the Swarnim DahejSpring Desalination Pvt Ltd (“**DahejSpring**”), the special purpose company formed for the development of the 336,000 m³/day seawater reverse osmosis desalination project in Dahej Special Economic Zone (“**Dahej SEZ**”) in Gujarat, India.

Hyflux Utility (India) Pte Ltd, a wholly-owned subsidiary of the Company, has subscribed for additional 154,998 ordinary shares for S\$154,998 and Hitachi, Ltd. (“**Hitachi**”) has subscribed for 155,000 shares for S\$155,000. Accordingly, the Company’s equity interest in HIH DahejSpring is 50% and Hitachi holds the remaining 50%.

In January 2013, DahejSpring sealed the water purchase agreement to deliver desalinated water to Dahej SEZ for a term of 30 years, including an estimated three-year construction period. Both the Company and Hitachi are working on financial close for the project.

The above investment is funded by internal sources and is not expected to have a material financial impact on the Company for the financial year ending 31 December 2013.

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the above investment.

BY ORDER OF THE BOARD

LIM POH FONG

COMPANY SECRETARY

SUBMITTED ON 24 OCTOBER 2013