



## **NEWS RELEASE**

### **HYFLUX CONTINUES CAPITAL RECYCLING STRATEGY WITH SALE AND LEASE-BACK OF HYFLUX INNOVATION CENTRE**

Divestment proceeds of S\$170 million will be used for strategic investments in three main areas:

- Acquiring new technology and investments in R&D
- Expanding and automating the Group's membrane manufacturing operations in Tuas Hub to increase productivity
- Financing the Group's infrastructure project tenders

*Singapore, 25 June 2014* – Hyflux Ltd (“Hyflux” and together with its subsidiaries, the “Group”) wishes to announce that its wholly-owned subsidiary, Hyflux Innovation Centre Pte Ltd (“Hyflux Innovation Centre”), has today entered into a property sale and purchase agreement with HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Ascendas Real Estate Investment Trust (“Purchaser”) by which Hyflux Innovation Centre has agreed to sell, and the Purchaser has agreed to purchase Hyflux Innovation Centre located at 80 Bendemeer Road (the “Property”) for S\$170 million (the “Divestment”). The transaction is expected to be completed on 30 June 2014.

After the Divestment, the Group will remain the major tenant of the Property with a lease-back agreement with the Purchaser for a term of 15 years. As the largest tenant, Hyflux will retain naming rights for the Property.

The purchase price of the Property and the terms of the lease were negotiated and agreed on a willing-buyer, willing-seller basis.

### **RATIONALE FOR THE DIVESTMENT**

In line with the Group's capital utilisation strategy, the Divestment will free up funds for more productive use of capital.



The released capital will be used for strategic investments in three main areas:

1. Acquiring new technology and investments in R&D;
2. Expanding and automating the Group's membrane manufacturing operations in Tuas Hub to increase productivity; and
3. Financing the Group's infrastructure project tenders

Executive Chairman and Group CEO Olivia Lum said, "The sale and lease-back transaction is part of our capital recycling strategy to enhance the efficiency of our balance sheet and to redeploy capital for strategic investments. Hyflux Innovation Centre will continue to be the nerve centre of our global operations and we intend to remain at Hyflux Innovation Centre for the long-term."

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## **About Hyflux**

Hyflux is one of the world's leading fully-integrated water solutions companies, with 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. Hyflux'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.

For more information, please visit [www.hyflux.com](http://www.hyflux.com)

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