



NEWS RELEASE

HYFLUX ENTERS INTO JOINT VENTURE TO DEVELOP INFRASTRUCTURE, UTILITIES AND ENVIRONMENTAL SOLUTIONS FOR A TOWNSHIP PROJECT IN TANZANIA

Singapore, 6 November 2015 – Hyflux Ltd (Hyflux), through Lavender Infrastructure Pte. Ltd. (Lavender), an indirect wholly owned subsidiary of Hyflux, has entered into a joint venture agreement with Crystal Developers (T) Ltd (Crystal) to jointly invest in a company incorporated in Tanzania (JVC) to develop infrastructure, utilities and environmental solutions for an integrated township project (Project) in the Morogoro District of Tanzania.

Upon the completion of the proposed investment into the JVC, Lavender will own 49% of the equity stake, while the remaining 51% will be held by Crystal. The aggregate consideration for Lavender's acquisition of its stake in the JVC is in the amount of USD 5 million.

The JVC holds the legal title to a parcel of land measuring approximately 3,200 hectares and located in the Morogoro District of Tanzania, on which Lavender and Crystal intend to develop the Project through the JVC as the project company.

The Project seeks to establish the basic infrastructure such as utilities and environmental solutions (power, potable water treatment, wastewater treatment and waste management) that would facilitate the development of affordable and liveable housing on the land. Following Lavender's acquisition of its stake in the JVC, Hyflux is prepared to fund up to USD 22.5 million over a period of 7 years.



The Morogoro District occupies a strategic location, sitting at the major crossroad between Dodoma, the capital of Tanzania, and Dar es Salaam, the largest city and key commercial centre of Tanzania. Morogoro also serves as the transit point for travellers commuting between neighbouring East African nations including Kenya, Zambia, Burundi and Uganda. This Project aims to tap on the potential offered by the Morogoro District and, at the same time, address the demand for ecologically sustainable and affordable living in Tanzania.

None of the Directors and controlling shareholders of Hyflux has any interest, direct or indirect, in the joint venture.

The Project is not expected to have a material financial impact on Hyflux for the financial year ending 31 December 2015.

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About Hyflux

Hyflux is a global leader in sustainable solutions, focusing on the areas of water and energy. Headquartered and listed in Singapore, the Group has operations and projects in Southeast Asia, China, India, the Middle East, Africa and the Americas. Hyflux is committed to providing cost-effective and innovative solutions that contribute to resource optimisation and sustainable growth for communities and industries. A specialist in water treatment, Hyflux is distinctive in its ability to address the challenges at every point of the entire water value chain. The Group's track record includes Singapore's first water recycling plant and some of the world's largest seawater reverse osmosis desalination plants in Algeria, China and Singapore.

For more information, please visit www.hyflux.com

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