



**HYFLUX WATER TRUST
MANAGEMENT PTE LTD**

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Company Registration No: 200717960D

HYFLUX WATER TRUST 2H09 DISTRIBUTABLE CASH GROWS 36% YEAR-ON-YEAR AND MEETS 2H09 FORECAST DISTRIBUTION PER UNIT OF 2.86 SINGAPORE CENTS

Key Highlights:

- 2H09 Distributable Cash of S\$7.8 million grows 36% year-on-year
- 2H09 Distribution per Unit (“DPU”) of 2.86 Singapore cents meets distribution forecast for 2H09
- Total DPU for 2009 of 5.42 Singapore cents, which is 9.3% higher than DPU of 4.96 Singapore cents for 2008

Singapore, 25 February 2010 — Hyflux Water Trust Management Pte. Ltd., as trustee-manager (the “Trustee-Manager”) of Hyflux Water Trust (“HWT”), is pleased to announce a 36% year-on-year increase in Distributable Cash to S\$7.8 million for 2H09.

DPU for 2H09 is 2.86 Singapore cents for all units save for those held by Hyflux Limited (“Sponsor”) and the Trustee-Manager.

Total DPU for 2009, including 1H09 DPU of 2.56 Singapore cents, is 5.42 Singapore cents and is 9.3% higher than the DPU of 4.96 Singapore cents for 2008.

Operating and Maintenance and Finance income increased 77% year-on-year from S\$13.9 million in 2008 to S\$24.6m in 2009. This was due to the commencement of operations of newly completed plants, tariff increases and the acquisition of five additional plants (“ROFOAR Plants”) in December 2008 and June 2009.

On HWT’s results, Chief Executive Officer of the Trustee-Manager, Mr Gary Kee said: “We are pleased to meet our distribution commitment amidst the challenging economic environment. Our performance attests to the robustness of our business and HWT’s ability to deliver stable and sustainable cash distribution over the long haul to its investors. There are signs of economic recovery but this recovery remains mixed. We are operationally prepared to face challenges and to participate in growth opportunities. The market fundamentals in the PRC water sector remain strong and HWT’s long-term growth prospects continue to be sound.”

DISTRIBUTION

For FY2009, HWT will distribute 100% of its Distributable Cash.

For 2H09, unitholders (excluding the Sponsor and Trustee-Manager) will receive 2.86 Singapore cents for each HWT unit held as at Books Closure Date, 5 March 2010, 5.00pm. The payment date of the distribution is on 29 March 2010.

Distributions received by either Singapore tax resident unitholders or non-Singapore tax resident unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. Unitholders are not entitled to tax credit of any taxes paid by the Trustee-Manager of HWT.

The Sponsor has agreed to waive its entitlement to the distribution in respect of its units to the extent necessary for HWT to meet the forecast distribution in respect of the initial portfolio of 13 plants ("Initial Portfolio") to the other unitholders. This is in line with the disclosure in HWT's prospectus dated 23 November 2007. The Sponsor will receive DPU of 2.03 Singapore cents after the waiver.

TRUSTEE-MANAGER'S MANAGEMENT FEES

For FY2009, the Trustee-Manager has elected to receive its management fees in respect of the Initial Portfolio in units instead of cash and waive all its entitlement to the distribution payable in respect of these units in FY2009.

OUTLOOK

The overall global economy has shown some signs of recovery but remains mixed. The Trustee-Manager expects HWT's business to remain resilient with moderate revenue growth as total water throughput is expected to increase marginally in tandem with the industrial activities in the concession areas it operates in. In the PRC where HWT's plants operate, growth in some concession areas have prompted plans to expand some of the existing plants which upon completion would increase total designed capacity by approximately 14% or 80,000m³/day. The construction of these expansion projects is expected to be completed by year 2011 and will not contribute to the 2010 performance materially.

The Trustee-Manager will continue to focus on measures to improve its overall performance, such as tariff adjustments, cost management as well as asset



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enhancement. The Trustee-Manager remains committed to distribute at least 90% of its Distributable Cash in 2010.

The Trustee-Manager is currently working on the refinancing of the US\$66 million credit facility which is due in February 2011. Further announcement on the refinancing of the credit facility will be made in due course

About Hyflux Water Trust

HWT is the first pure-play global water business trust to be listed on a securities exchange in Asia that provides investors with an opportunity to invest in water-related infrastructure assets in the PRC, India, Middle East and North Africa and other high-growth markets globally.

HWT is able to benefit from the market reach, extensive experience, technical expertise and reputation in the water industry of the Sponsor's group of companies.

The 18 water plants in HWT's portfolio have a total designed capacity of 580,000 m³/day. Operating under long-term concession agreements, they are expected to generate cash flows which will provide long-term, regular and predictable distributions. Investments and acquisitions that HWT pursues should be yield accretive and provide long-term, regular and predictable cash flow.

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