

## **HYFLUX WATER TRUST**

(Business Trust Registration No: 2007007)

### **HYFLUX WATER TRUST SECURES RMB 50 MILLION WASTE WATER TREATMENT EXPANSION PROJECT IN CHINA**

Hyflux Water Trust Management Pte Ltd (“**Trustee-Manager**”), as Trustee-Manager of Hyflux Water Trust (“**HWT**”), is pleased to announce that HWT’s wholly-owned subsidiary, Hyflux NewSpring (Yangzhou) Co., Ltd, has been granted an exclusive 20-year concession by the people’s government of Jiangsu Province, China to build, own, operate and transfer an expansion plant next to HWT’s existing waste water treatment plant in the Yangzhou Chemical Industrial Park. Upon expiry of the concession agreement, HWT has a first right to negotiate for an extension of the concession term.

With a design capacity of 20,000 m<sup>3</sup>/day, and an estimated project cost of RMB 50 million, the expansion plant is HWT’s second plant in the Yangzhou Chemical Industrial Park, the first being the existing waste water treatment plant, which was acquired by HWT as part of the initial portfolio of HWT upon its Listing (“**Initial Portfolio**”). The combined design capacity of the two plants will be 40,000 m<sup>3</sup>/day.

The expansion plant is required to meet the growing industrial demand for waste water treatment in the concession area. Construction of the expansion plant is expected to begin in the second quarter of 2008. Operation is expected to commence in mid 2009, with full capacity utilization by 2011.

The Yangzhou expansion plant will contribute to the growth of the HWT portfolio. This is in addition to the expected organic expansion of the Initial Portfolio, and future acquisitions of ROFOAR assets from Hyflux Ltd, as described in HWT’s Listing Prospectus.

The expansion plant will be funded by the bank credit facility available to HWT, and is expected to be yield-accretive. It is, however, not expected to have a material financial impact on HWT for the financial year ending 31 December 2008.

**BY ORDER OF THE BOARD**

Saud Ibne Siddique  
Chief Executive Officer  
Hyflux Water Trust Management Pte Ltd  
(Company Registration Number : 200717960D)  
As Trustee-Manager of Hyflux Water Trust  
Submitted on 28 December 2007 to SGX-ST

J P Morgan was the Sole Global Coordinator, Financial Adviser, Bookrunner and Issue Manager, and together with DBS Bank Ltd and UBS Investment Bank, were the Joint Lead Managers and Joint Underwriters for the Initial Public Offering of the Hyflux Water Trust Units.