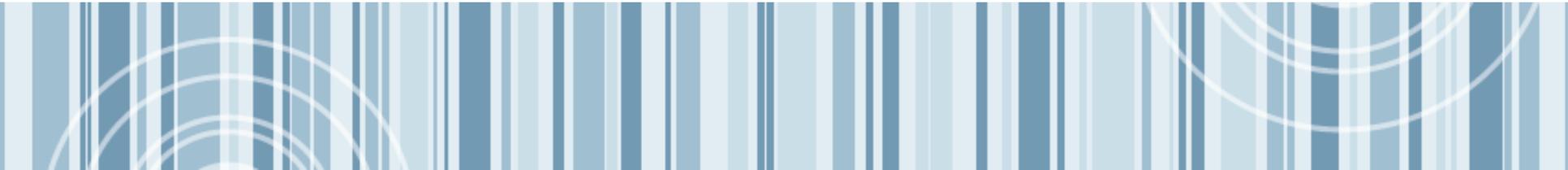


CAPTURING GROWTH OPPORTUNITIES IN CHINA'S WATER SECTOR

**Joint Venture Signing Ceremony
&
Joint Offer for Hyflux Water Trust**

2 August 2010

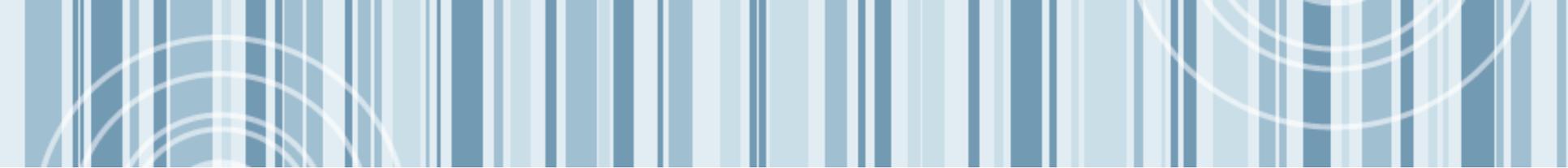


Agenda

- Transaction Summary
- Strategic Rationale
- Proposed Voluntary Delisting & Exit Offer

Transaction Summary

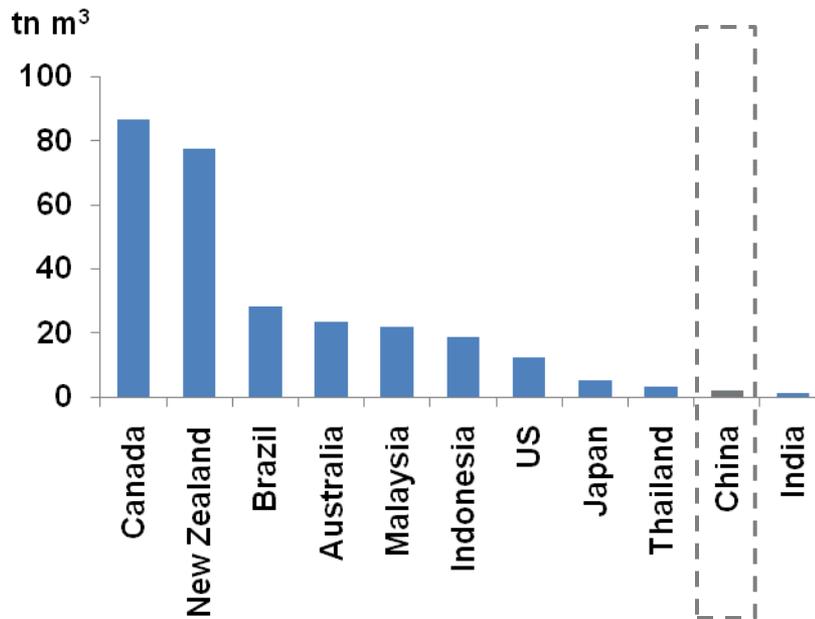
- Joint venture between Hyflux and Mitsui (“Galaxy”)
 - Integrated platform for water management solutions in China
- Galaxy to acquire 4 assets from Hyflux for US\$53.1 million
- Proposed Voluntary Delisting and Exit Offer for HWT by Galaxy
 - S\$0.78 per Unit
 - Unitholders will also receive 1H10 cash distribution (if and when declared by HWT)



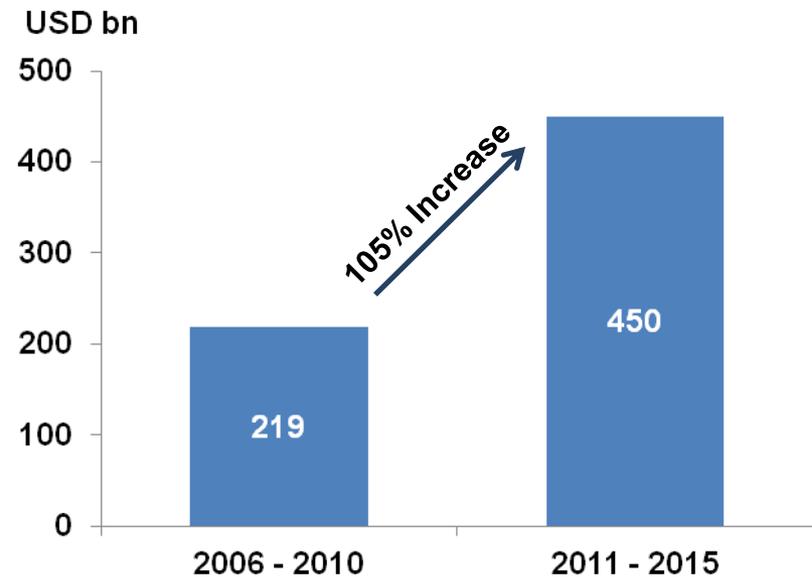
Strategic Rationale

Positive Macro Environment

Water Resources per Capita



PRC Budget for Environmental Protection & Water Resource Development



Enhanced Competitive Position

Hyflux[®]

- Leading water technology group
- Fully integrated provider
 - Membrane sales
 - Design & engineering
 - Procurement & construction
 - O&M
- Cost competitive solutions



MITSUI & CO., LTD.

Galaxy

- Capturing growth
- Robust capital structure
- Speed to market
- Position to secure larger and more complex projects

- Worldwide infrastructure project experience and operation
- Strong customer base
- Experience in business development and management
- Proactive enhancement of new business opportunities
- Considerable financial resources

Leveraging global presence, business knowledge, human capital, intellectual property and the financial strength of two industry leaders

Initial Portfolio

Liaoning

Plant name	Type	Capacity (MLD)
Liaoyang	WWTP	30
	WRP	25
Liaoyang	WTP	40

Hebei

Plant name	Type	Capacity (MLD)
Zunhua	WTP	40
Langfang	WWTP	80
	WRP	40

Anhui

Plant name	Type	Capacity (MLD)
Mingguang	WWTP	30
Mingguang	WTP	35

Hunan

Plant name	Type	Capacity (MLD)
Taoyuan	WTP	60

Tianjin

Plant name	Type	Capacity (MLD)
Beichen	WWTP	50
	WRP	5

Jiangsu

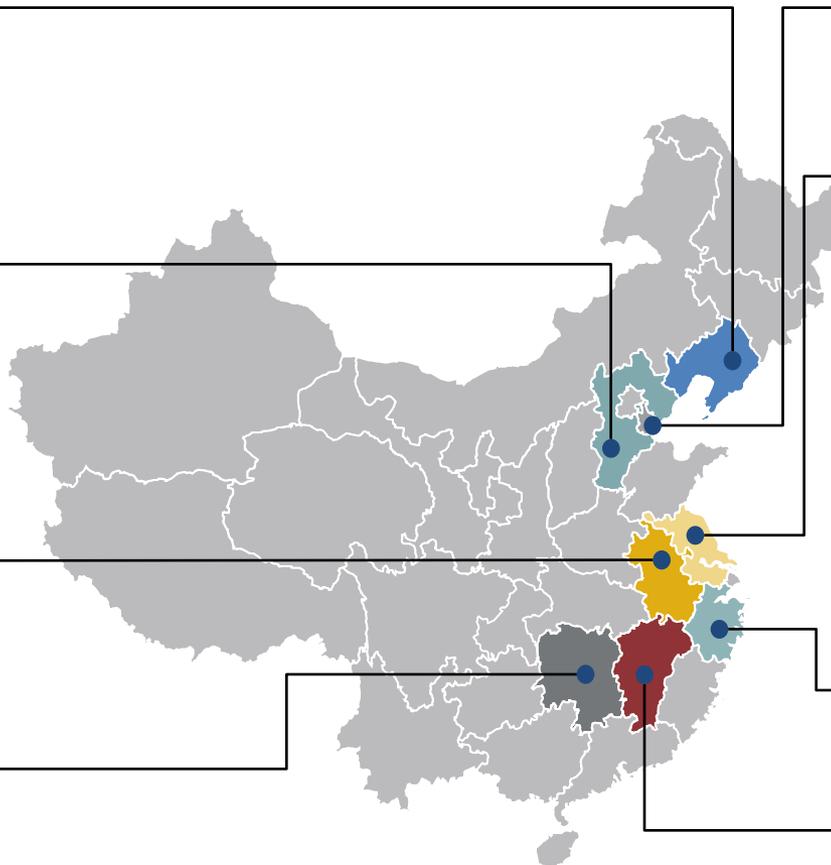
Plant name	Type	Capacity (MLD)
Taizhou	WWTP	20
Dafeng	WTP	20
Yangzhou	WWTP	20
Wuxi	WWTP 1	20
Wuxi	WWTP 2	10
Yangkou	WTP	20
Yangkou	WWTP	20
Changshu	WWTP	30
Guanyun	WTP 1	50
Guanyun	WTP 2	50

Zhejiang

Plant name	Type	Capacity (MLD)
Tiantai	WWTP	20

Jiangxi

Plant name	Type	Capacity (MLD)
Leping	WTP	30



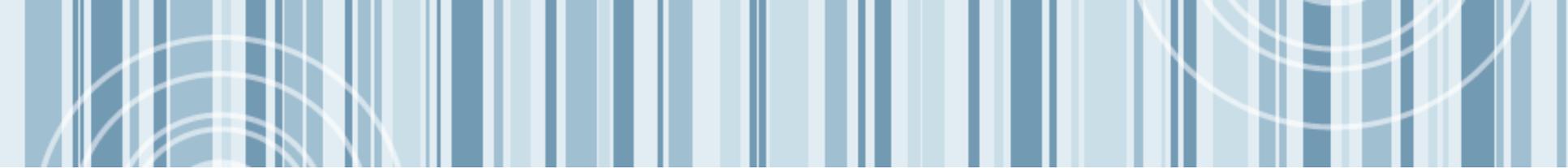
Hyflux 4 Project Assets

Note: WWTP: Waste Water Treatment Plant; WTP: Water Treatment Plant; WRP: Waste Water Recycling Plant.

Assumes successful closing of Exit Offer for HWT.

Capacity figures exclude on-going organic expansion of some plants.





Voluntary Delisting and Exit Offer Proposal

Delisting and Exit Offer Rationale

Challenging Industry Dynamics for Yield-Based Investors

- Trend towards larger and more complex projects with preference for private vehicles and/or direct ownership
- Challenges to secure cost-effective project financing
- ⇒ Solid platform needed to enhance competitiveness and capture growth opportunities
- ⇒ Extended time horizon to “gestate” yield-accretive assets

Attractively Valued Exit Opportunity Despite Challenges to Growth

- Significant premium of approx. 17% to Units’ one-month VWAP
- >5% annualised return at Exit Offer Price⁽¹⁾
- Current exit opportunities restricted by low volume/liquidity
- ⇒ Unitholders can monetise entire investment at a premium valuation

Key Terms of Exit Offer

Offeror

- Galaxy NewSpring Pte. Ltd.

Exit Offer Price

- S\$0.78 per unit in cash
 - Unitholders will also receive 1H10 cash distribution (if and when declared by HWT)

Offer Units

- 205,500,000 Units

Transaction Value

- S\$160 million

Conditions

- Unitholders' Approval of Delisting Proposal (at EGM)
 - Approval by majority of $\geq 75\%$ (present and voting)
 - Not voted against by $\geq 10\%$ (present and voting)
 - Hyflux's wholly-owned subsidiary, HWP, intends to vote its 31.37% in favor of the Delisting
- Minimum Acceptance Condition
 - Offeror and relevant concert parties controlling $\geq 75\%$ of total voting rights as at close of Exit Offer

Target Closing

- By end of 2010

Attractive Premium for Unitholders

- ✓ Premium to the highest price traded in the past 31 months
- ✓ 21% premium to the VWAP of the last 3 months
- ✓ 17% premium to the VWAP of the last 1 month
- ✓ 14% Premium to the last traded price, in addition to 120% price appreciation since end 2008



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