

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hyflux Ltd (“Company”) will be held at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949 on 25 April 2013 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

Resolution 1

To receive and adopt the Directors’ Report and the Audited Accounts for the year ended 31 December 2012 together with the Auditors’ Report thereon.

Resolution 2

To declare a final dividend of 2.5 Singapore cents per ordinary share (one-tier tax exempt) for the year ended 31 December 2012 (previous year: 2.1 Singapore cents per ordinary share).

Resolution 3

To re-elect Mr. Lee Joo Hai who retires in accordance with Article 89 of the Company’s Articles of Association and who, being eligible, offers himself for re-election.

Resolution 4

To re-elect Mr. Gay Chee Cheong who retires in accordance with Article 89 of the Company’s Articles of Association and who, being eligible, offers himself for re-election.

Resolution 5

To approve the payment of Directors’ fees of S\$550,000 for the year ended 31 December 2012 (previous year: S\$540,795).

Resolution 6

To re-appoint Messrs KPMG LLP as external auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

Resolution 7

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), the Directors be authorised and empowered to:

- (a) (1) issue ordinary shares in the Company whether by way of rights, bonus or otherwise; and/or

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- (2) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into ordinary shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) issue ordinary shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force (notwithstanding the authority conferred by this Resolution may have ceased to be in force), provided that:

- (1) the aggregate number of ordinary shares (including ordinary shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued ordinary shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of ordinary shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the issued ordinary shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of ordinary shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued ordinary shares and Instruments shall be based on the number of issued ordinary shares in the capital of the Company (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

- (i) new ordinary shares arising from the conversion or exercise of the Instruments or any convertible securities;
- (ii) new ordinary shares arising from the exercising of share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
- (iii) any subsequent bonus issue consolidation or subdivision of ordinary shares.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the

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Company is required by law to be held, whichever is earlier or (ii) in the case of ordinary shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such ordinary shares in accordance with the terms of the Instruments.

Resolution 8

That:

- (a) authority be and is hereby given to the Directors to:
- (1) allot and issue preference shares referred to in Articles 8C and 8E of the Articles of Association of the Company in the capital of the Company whether by way of rights, bonus or otherwise; and/or
 - (2) make or grant offers, agreements or options that might or would require preference shares referred to in sub-paragraph (1) above to be issued, not being ordinary shares to which the authority referred to in Resolution 7 above relates,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue preference shares referred to in sub-paragraph (1) above in pursuance of any offers, agreements or options made or granted by the Directors while this Resolution was in force; and

- (b) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Resolution 9

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to:

- (a) offer, grant, allot and issue options in accordance with the provisions of the Hyflux Employees' Share Option Scheme 2011 ("**2011 Scheme**"); and
- (b) continue to allot and issue from time to time such number of ordinary shares in the capital of the Company when such options are validly exercised pursuant to the terms and conditions of the Hyflux Employees' Share Option Scheme 2001 ("**2001 Scheme**"),

and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) to issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the 2011 Scheme and 2001 Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued respectively shall not exceed ten per centum (10%) of the issued ordinary shares in

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the capital of the Company from time to time under the 2011 Scheme and shall not exceed fifteen per centum (15%) of the issued ordinary shares in the capital of the Company from time to time under the 2001 Scheme and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Resolution 10

That the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to make purchases of or otherwise acquire issued and fully-paid ordinary shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the issued ordinary shares in the capital of the Company (ascertained as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered, but excluding any shares held by the Company as treasury shares from time to time) at the price of up to but not exceeding the Maximum Price (as defined in Appendix 2 to this Notice of Annual General Meeting ("**Appendix 2**")) and in accordance with the Guidelines on Share Purchase set out in Appendix 2 (read with Appendix 1 to this Notice of Annual General Meeting) and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the Singapore Exchange Securities Trading Limited as may from time to time be applicable, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held (the "**Relevant Period**"), or the date on which the share purchases are carried out to the full extent mandated, whichever is earlier.

To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

By Order of the Board

Lim Poh Fong
Company Secretary
Singapore, 10 April 2013

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Explanatory Notes:

- (1) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949 not less than 48 hours before the time appointed for holding the Meeting.
- (2) In relation to Resolution 3, Mr. Lee Joo Hai, will upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and Risk Management Committee. Mr. Lee is considered a non-executive and independent director.
- (3) In relation to Resolution 4, Mr. Gay Chee Cheong, will upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, a member of the Audit Committee and Nominating Committee. Mr. Gay is considered a non-executive and independent director.
- (4) Ordinary Resolution 7 has been proposed for voting annually at the Company's Annual General Meeting since 2002. Pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and upon passing of this Ordinary Resolution 7, the Directors will be empowered from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue ordinary shares, make or grant instruments convertible into ordinary shares and to issue ordinary shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued ordinary shares in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders. In determining the aggregate number of ordinary shares that may be issued, the percentage of issued ordinary shares in the capital of the Company will be calculated based on the issued ordinary shares in the capital of the Company at the time this Ordinary Resolution 7 is passed after adjusting for new ordinary shares arising from the conversion or exercise of the instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution 7 is passed and any subsequent bonus issue, consolidation or subdivision of ordinary shares.
- (5) Ordinary Resolution 8 relates to the renewal of the preference share issue mandate, which was originally approved by the shareholders at the Extraordinary General Meeting held on 31 March 2011. Upon passing of this Ordinary Resolution 8, the Directors will be empowered from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue new preference shares and/or make or grant offers, agreements or options that might or would require such preference shares to be issued, provided that the aggregate number of preference

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shares does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of passing of this Ordinary Resolution 8 and such issue be on such other terms and condition as the Directors may deem fit.

- (6) Ordinary Resolution 9 has been proposed for voting and passed annually since 2002. The 2001 Scheme has expired on 26 September 2011 and the 2011 Scheme was approved by the shareholders at the Extraordinary General Meeting held on 27 April 2011. The Directors believe that an appropriate remuneration package is required to recruit, retain and reward talent for performance. Pursuant to Section 161 of the Companies Act, Cap. 50 and upon passing of the Ordinary Resolution 9, the Directors will be empowered, from the date of this Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue ordinary shares in the Company pursuant to the exercise of options granted or to be granted under the 2011 Scheme and 2001 Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued respectively shall not exceed 10% of the issued ordinary shares in the capital of the Company from time to time under the 2011 Scheme and shall not exceed 15% of the issued ordinary shares in the capital of the Company from time to time under the 2001 Scheme.
- (7) Ordinary Resolution 10 relates to the renewal of the share purchase mandate, which was originally approved by the shareholders at the Extraordinary General Meeting held on 25 April 2008 and last renewed at the Annual General Meeting held on 26 April 2012. Ordinary Resolution 10, if passed, will empower the Directors of the Company from the date of this Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, to purchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued ordinary shares in the capital of the Company at the Maximum Price as defined in Appendix 2. Please refer to Appendix 1 and Appendix 2 of this Notice of Annual General Meeting for further details.

NOTICE OF BOOKS CLOSURE

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NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Hyflux Ltd (the "Company") will be closed on 6 May 2013 for the preparation of dividend warrants.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 3 May 2013 will be registered to determine ordinary shareholders' entitlements to the proposed dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5.00 p.m. on 3 May 2013 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 25 April 2013, will be made on 17 May 2013.