



HYFLUX LTD
Company Registration No.: 200002722Z
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hyflux Ltd (the “**Company**”) will be held at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949 on 24 April 2014 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 2013 together with the Auditors’ Report thereon.

Resolution 2

To declare a final dividend of 1.6 Singapore cents per ordinary share (one-tier tax exempt) for the year ended 31 December 2013 (previous year: 2.5 Singapore cents per ordinary share).

Resolution 3

To re-elect Mr. Teo Kiang Kok 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. Christopher Murugasu 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\$524,384 for the year ended 31 December 2013 (previous year: S\$550,000).

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 of Singapore 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
- (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 cent (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 share holders of the Company shall not exceed twenty per cent (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 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 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 cent (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, 8 April 2014

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. Teo Kiang Kok, will upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and Risk Management Committee. Mr. Teo is considered a non-executive and independent director.
- (3) In relation to Resolution 4, Mr. Christopher Murugasu, will upon re-election as a Director of the Company, remain as a member of the Nominating Committee, Remuneration Committee and Risk Management Committee. Mr. Murugasu 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 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 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 25 April 2013. Ordinary Resolution 9, 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

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Hyflux Ltd (the “**Company**”) will be closed on 5 May 2014 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 2 May 2014 will be registered to determine ordinary shareholders’ entitlements to the said 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 2 May 2014 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 24 April 2014, will be made on 15 May 2014.