



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

Updates on Reorganisation Process

The Board of Directors of Hyflux Ltd. (the “**Company**”) refers to its announcement made on 22 May 2018 (the “**22 May Announcement**”) that the Company and five of its subsidiaries, namely Hydrochem (S) Pte Ltd, Hyflux Engineering Pte Ltd, Hyflux Membrane Manufacturing (S) Pte. Ltd., Hyflux Innovation Centre Pte. Ltd. and Tuaspring Pte. Ltd. (collectively, the “**Applicants**”) have applied to the High Court of the Republic of Singapore pursuant to Section 211B(1) of the Singapore Companies Act to commence a court supervised process to reorganise their liabilities and businesses (the “**Applications**”).

Updates on the reorganisation process

The Company wishes to update that a Pre-Trial Conference (“**PTC**”) has been scheduled on 28 May 2018 (Monday). Please take note that the PTC is not a substantive hearing of the Applications but is administrative in nature, where the Court will give directions on the conduct of the Applications’ proceedings.

More information on the Applications can be accessed through this link: <https://www.hyflux.com/financial-reorganisation-exercise/developments/>

The Company also wishes to inform that following the 22 May Announcement, while some Applicants have received letters of demand and/or notices of default, no proceedings may be commenced or continued against the Applicants except with leave of the Court and subject to such terms the Court imposes when the moratorium provided for under Section 211B(8) of the Companies Act remains in force. The Company’s legal advisors are in the process of reviewing these letters and notices.

Further information about this process, including up-to-date information on the Hyflux Group’s reorganisation process, and responses to frequently asked questions that the Company has received, are available on <https://www.hyflux.com/financial-reorganisation-exercise/>.

The Company’s announcements are also available on SGXnet, and on Hyflux’s website at <http://investors.hyflux.com/newsroom.html>.

Queries on the Applications may also be sent to hyflux.queries@wongpartnership.com.

The Company's support hotline at (+65) 3157 7999 is open from Monday to Friday, 9am to 5pm (Singapore time).

Notes

Further, the Company wishes to update that, in the light of the Applications, an event under condition 10(e) of the terms and conditions relating to its S\$100,000,000 4.25% notes due 2018, S\$65,000,000 4.60% notes due 2019, and S\$100,000,000 4.20% notes due 2019 (collectively, the "Notes") issued pursuant to its S\$1,500,000,000 Multicurrency Debt Issuance Programme has occurred. In accordance with the terms of the Trust Deed dated 3 July 2008 (as amended and supplemented) in respect of the Notes, the Company will be sending a notice of this event to the trustee of the Notes (the "Trustee"). The Notes are not listed on SGX-ST.

The Company will continue to engage with, and provide information to, the Trustee in this process. The Company will provide updates as soon as practicable.

Perpetual Securities

As part of the reorganisation process, the Company is working closely with its advisors to conserve its cash and only make payments critical to the continued operation of the Hyflux Group's businesses.

In this connection, on the advice of its advisors, the Company has determined that the payment of the distribution on its S\$500 million 6.00% Perpetual Capital Securities (SGX:BTWZ) (the "Perpetual Securities") which was scheduled on 28 May 2018 (on account of 27 May 2018 falling on a Sunday) will not be made until further notice.

The Company also wishes to announce that the trustee for the Perpetual Securities has reached out to the Company. The Company will continue to engage with, and provide information to, the trustee in this process. The Company will provide updates as soon as practicable.

Information on town hall meetings

The Company also wishes to inform the holders of its Notes, Perpetual Securities, 6% Cumulative Non-Convertible Non-Voting Perpetual Class A Preference Shares ("Preference Shares") and ordinary shares that it has reached out to the Securities Investors Association (Singapore) ("SIAS") on the Company's intention to keep them actively engaged in this process, and will work with SIAS to do so.

SIAS has released a press statement on 23 May 2018, which can be accessed here: <https://www.hyflux.com/financial-reorganisation-exercise/shareholders-and-holders-of-securities/>

The Company will be organising town hall meetings in conjunction with SIAS and will publish the details as soon as possible. Holders of Notes, Perpetual Securities, Preference Shares and ordinary shares who wish to attend or be kept informed of town hall meetings can register their interest with SIAS at admin@sias.org.sg. Details of the town hall meetings will be published on SGXNET and in The Straits Times, The Business Times and the Lianhe Zaobao.

An Inclusive Way Forward

The Company wishes to inform all stakeholders that it is an integral part of the reorganisation process for all its financial obligations and liabilities to be reviewed holistically and addressed by a comprehensive and long term solution. The involvement of the various stakeholders together with the supervision of the High Court of the Republic of Singapore facilitates the Company's objective to conduct a reorganisation process that is collaborative and that takes into careful account the diverse concerns of the stakeholders.

BY ORDER OF THE BOARD

Lim Poh Fong

Company Secretary

Submitted to SGX-ST on 25 May 2018