



## **NEWS RELEASE**

### **HYFLUX UPDATES ON AGREEMENTS**

- Termination of joint venture agreement made between Hyflux International Pte Ltd and Tolaram Corporation Pte Ltd
- Suspension of contract between Hyflux International Pte Ltd and Asia Water Development Engineering Company

*Singapore, 14 December 2018* – Hyflux Ltd (the “Company” and together with its subsidiaries, the “Group”) refers to the news release dated 26 March 2014 in relation to the execution of a joint venture agreement (“JV Agreement”) between Hyflux International Pte Ltd (“HIPL”), a wholly-owned subsidiary of the Company and Tolaram Corporation Pte Ltd (the “JV Parties”) and the incorporation of Yewa Water Company Pte Ltd (“Yewa Singapore”) in Singapore, which owns the majority stake in Yewa Water Company Limited (“Yewa Nigeria”) in Nigeria.

Both Yewa Nigeria and Yewa Singapore have been dormant since incorporation. The JV Parties have terminated the JV Agreement and will liquidate Yewa Nigeria (“Liquidation”) and apply for the striking off of Yewa Singapore (“Striking Off”).

The termination of the JV Agreement, Liquidation and Striking Off are not expected to have a material adverse effect on the financial performance of the Group.

In addition, the Company refers to its news release dated 6 April 2018 in relation to a contract (“Contract”) awarded by Asia Water Development Engineering Company (“AWDEC”) to HIPL for the design, manufacture and supply of a seawater reverse osmosis desalination package in Bandar Abbas, Iran. The Company further refers to its news release dated 10 July 2018 on its receipt of a Letter of Intent from AWDEC for a



second contract ("Second Contract") for a seawater reverse osmosis desalination package in Bandar Abbas, Iran.

Following from the United States' ("US") decision to withdraw from the Joint Comprehensive Plan of Action ("JCPOA") and to reinstate the US sanctions that were in force before the implementation of the JCPOA, the Company is unable to maintain the requisite banking support to receive payment from AWDEC for works to be performed under the Contract. Consequently, and following from discussions with AWDEC, the Company, on 11 December 2018, formally notified AWDEC of the Company's decision to suspend the Contract with effect from 16 October 2018.

In view of these developments, the Company has also taken no further step to formalise and/or execute the Second Contract with AWDEC.

The suspension of the Contract is expected to have a material adverse effect on the financial performance of the Group.

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## **About Hyflux**

As a global provider of sustainable solutions, Hyflux is committed to resource optimisation and sustainable development. A specialist in water treatment and among the top global desalination plant providers, Hyflux is distinctive in its ability to address the challenges at every point of the water value chain. The Group has expanded its offerings to include power generation and waste-to-energy.

Headquartered and listed in Singapore, the Group employs 2,300 employees worldwide. Hyflux's track record spans across Asia, the Middle East and Africa. It includes one of the world's largest seawater reverse osmosis desalination plants in Algeria and Asia's first Integrated Water and Power Plant in Singapore.

For more information, please visit [www.hyflux.com](http://www.hyflux.com)

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