



**HYFLUX LTD**

(Incorporated in the Republic of Singapore)

(Company Registration No.:200002722Z)

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**PROPOSED INVESTMENT IN HYFLUX LTD BY SM INVESTMENTS PTE. LTD. – APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

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**1. Introduction**

The board of directors (the "**Board**") of Hyflux Ltd (the "**Company**") refers to the announcement issued on 18 October 2018 (the "**Announcement**") by the Company in relation to the entry by the Company and SM Investments Pte. Ltd. (the "**Investor**") into a restructuring agreement dated 18 October 2018 pursuant to which the Investor has conditionally agreed to, *inter alia*, subscribe for such number of new Shares, representing 60% of the Enlarged Issued Share Capital (the "**Proposed Investment**").

All capitalised terms used but not defined herein and which are defined in the Announcement shall have the meanings ascribed to them in the Announcement.

Completion is conditional upon, *inter alia*, the holders of Shares (the "**Shareholders**") who are considered independent (the "**Independent Shareholders**") approving, at an extraordinary general meeting of the Company to be convened, the resolution to waive their rights to receive a general offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the Proposed Investment (the "**Whitewash Resolution**").

**2. Independent Financial Adviser**

The Board wishes to announce that Stirling Coleman Capital Limited (the "**IFA**") has on 30 January 2019 been appointed as the independent financial adviser to advise the directors of the Company who are considered independent for the purpose of making a recommendation to the Independent Shareholders on the Whitewash Resolution (the "**Independent Directors**").

A circular containing, *inter alia*, the details of the Proposed Investment, the advice of the IFA and the recommendation of the Independent Directors in relation to the Proposed Investment and the Whitewash Resolution (the "**Circular**") will be sent to Shareholders in due course.

**In the meantime, Shareholders are advised to exercise caution when dealing with their Shares and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests, until Shareholders have considered the content of the Circular, including the recommendation of the Independent Directors as well as the advice of the IFA in relation to the Proposed Investment and the Whitewash Resolution.**

By Order of the Board

Lim Poh Fong  
Company Secretary  
1 February 2019