

From: Richard <[REDACTED]>
Date: Wednesday, 10 June 2020 at 1:51 PM
To: wingtat lau <[REDACTED]>
Cc: Olivia Lum <[REDACTED]>, Aik Cheong <[REDACTED]>, Yeong Piao Pang <[REDACTED]>, nTan Group <[REDACTED]>, "Nish.Shetty" <[REDACTED]>
Subject: RE: 20200604 - Letter to Utico .pdf

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Good Afternoon Wingtat,

Hope you are all well. We are fine and well so far. I pray that we all continue to be fine and well going forward too.

The world has changed due to this virus and we must plan for it with right decisions today that are selfless and not opportunistic as well. We must think of others.

I recently wrote an article for Editors opinion page which was published, and which may give you all something to reflect as well.

The link is <https://gulfnews.com/opinion/life-lessons-from-the-coronavirus-1.71652918>

I also heard the speech by Premier Lee Hsien on 7th June 2020 and was impressed by his thoughtfulness and foresight. I hope you will all also hear and understand him well. Link attached https://www.google.com/url?sa=t&source=web&rct=j&url=https://m.youtube.com/watch%3Fv%3D-cCjpxV1U-A&ved=2ahUKEwiZxNTHv_bpAhUM4BoKHUTPD5sQwqsBMAB6BAgJEAM&usg=AOvVaw0MQIR69GPWw8ldoUu1YGEb

He has clearly stated other than many things that he as government will do, that the struggle will be long for years forward. The world will be different and the Pie will be smaller where everyone will fight for a smaller pie.

Each country looking inwards than outward.

This puts us in a unique situation where we as a quasi-government company and a UAE company is working to save Singapore investors and save Hyflux as company as well and its jobs. I hope the Hyflux board, shareholders and other stakeholders/creditors realize and note this aspect.

This unique action by us is more than just seeing why Utico is interested and not to think that there is something more valuable than our intent with no risk. I believe there is great risk for everyone who will venture into Hyflux.

I also believe that our thoughtfulness and capabilities are far superior to Hyflux in this respect in terms of understanding and our bold bonafide actions thereof.

Having said above, we would like to respond and confirm to your letter as hereunder;

We agree to extend the 26th May 2020 letter offer linked to the 26th Nov. 2019 signed RA to June 30 2020. The 26th Nov. 2019 RA therefore stands valid too for the scheme as in the court.

1. No moratorium extension is a primary requirement.

2. The shares offered as payment are for Utico FZC.
3. P&P option 1 for small investors payout remains intact but for small investors only .This if accepted before June 30th 2020. Larger investors will be paid in shares per RA.
4. Shareholder loan to Hyflux will be considered and paid for business growth and proven sustainability upto 50mS\$.
5. Assets transfer demand per our 26th May 2020 letter is to be considered specifically as a timely “approval by board for the Algeria and Oman SHA transfer with rights” only. This board approval should be set at being subject to unsecured creditors approval of the scheme. This acceptance of scheme by creditors should be obtained before June 30th 2020.
6. SPV shareholding transfer for the above board resolution will take place only after the scheme.
7. Utico must receive this board resolution as in point 5 above by June 17th 2020.
8. Utico in parallel will work with the assets stakeholders. This will allow the assets rectification and remedy which is important and necessary to keep value.
9. We have already noted in the press and market talk that the Algerian Magtaa termination notice issued with 40 days period has now only 35 days left. This will bring material impact and value loss to Hyflux shareholders, UWG and P&P. Also we have heard that the plant is under performing. WE must use these balance 35 days to prevent the loss and not build legal liabilities on Hyflux and support value loss.
10. Utico will invest in these Algerian and Omani assets with above steps immediately with Hyflux board approval and work in parallel to save time and value.
11. Senior unsecured creditors , P&P and advisors shall be given recourse for buyback through a call or Put mechanism if terms are agreed per the RA and our 26th May 2020 letter.
12. Supplier creditors will be paid in cash per RA .
13. Advisors cannot be paid through cash available till we have an overall agreement as per our May 26th Offer as mentioned above.
14. Utico wants the entire board of Hyflux to step down immediately on scheme passing and stand in interim thereafter to allow for smooth transfer and transition time.

Regards,

Richard Menezes
EVC & MD

www.uticome.com, www.rmb-group.com

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