



PRESS RELEASE

SM Investments Pte Ltd and Hyflux Group Announce Restructuring Agreement

A consortium comprising the Salim Group and Medco Group has entered into a deal to revitalise Hyflux Group

18 October 2018, Singapore – SM Investments Pte Ltd, a consortium comprising the Salim Group and Medco Group (the “**Consortium**”), together with Hyflux Ltd (“**Hyflux**” or the “**Group**”), today announce binding agreements for the Consortium’s investment of S\$530 million in the Group.

“We are confident that we have the most holistic approach to revitalise Hyflux. We are taking a long-term approach with our investment to steer the Group towards a path of sustainable growth. We see tremendous potential for synergies between Hyflux and our existing businesses as well as opportunities within our Consortium in which we can involve Hyflux. We will work with Hyflux to keep its flagship assets intact, bearing in mind the significance of this company to Singapore,” commented Anthony Salim, Chairman of the Salim Group.

The Consortium has strong track records of running successful and well-managed diverse businesses throughout Southeast Asia and other parts of the world. They also bring extensive experience in owning and operating water and power utilities; power generation and distribution assets; and oil and gas properties particularly in Southeast Asia’s most complex and largest markets.

“We are excited to partner with Hyflux together with Salim Group, and we recognise its vast potential. Our aim is to further grow Hyflux leveraging on its strength in system integration and optimisation of water treatment and waste management as well as in power generation. With our experience and strong track record in owning and operating businesses in energy, renewables, utilities and gas across Southeast Asia, we are confident we can unlock the full potential of Hyflux,” added Arifin Panigoro, Founder of Medco Group.

The signing of this agreement marks the beginning of a new chapter for a company that is one of the crown jewels of Singapore’s entrepreneurial businesses.

Ms Olivia Lum, Executive Chairman and Group Chief Executive Officer of Hyflux Ltd said, “After a rigorous selection process, the Board of Directors unanimously selected SM Investments Pte Ltd as the strategic investor for the Hyflux Group. With the financial strength of the Salim group and the Medco Group, as well as the Consortium’s combined experience in water utilities, power generation and infrastructure projects, the Board believes that this partnership will elevate Hyflux to a different level and open up new untapped growth opportunities for the Group. I am confident that with the support of this Consortium, Hyflux will attain new heights and play an even bigger role in the infrastructure space particularly in Singapore and South East Asia.”

The Consortium will own 60% of equity in Hyflux upon completion of the transaction.



About Hyflux Group

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. It also entered into the wellness industry with the ELO brand to broaden its consumer market portfolio.

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.

About SM Investments Pte Ltd

The Consortium that is formed between the Salim Group led by Mr. Anthony Salim, and Medco Group led by Mr. Arifin Panigoro.

About Salim Group

The Salim Group is one of the largest conglomerates in Asia which controls Pacific Light Power Pte Ltd, an 800MW power genco in Singapore among others. The Salim Group owns various investments around the region, including investments in Metro Pacific Investments Corporation, the largest infrastructure investment management and holding company in the Philippines; Maynilad Water Services, Inc., the largest water and wastewater services provider in Metro Manila; Moya Holdings Asia Ltd, the largest water treatment and distribution provider in Jakarta; Meralco, the largest private sector electric distribution utility company in the Philippines; PXP Energy Corporation, an oil and gas company; and Indofood, a diversified food, noodle and beverages company; among others.

About Medco Group

Founded by Mr. Arifin Panigoro, the Medco Group comprises, among others, PT Medco Energi Internasional Tbk (MEI), various plantations, property, and a financial institution. MEI is an integrated energy and natural resources company with significant interests in oil & gas exploration & production focused principally in Indonesia. It controls and operates the West Natuna Transportation System Pipeline which delivers gas to Singapore, and is also a major shareholder in PT Amman Mineral Nusa Tenggara, Indonesia's second largest copper and gold producer. PT Medco Power Indonesia (MPI), a subsidiary of MEI owns and operates clean energy power plants with combined gross capacity of 645 MW including the 330MW Sarulla geothermal power plant, the world's largest single-contract geothermal project. MPI also operates and maintains third-party power plants with a total capacity of 2,150MW. MPI will be commencing development of Riau CCPP (275 MW) and Ijen geothermal (110 MW) soon. MPI will continue to prioritise development in the sector of clean and renewable energy.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this document may constitute forward looking statements. Forward looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe", "anticipate", "intend", "estimate", "forecast", "project", "plan", "potential",



“may”, “should”, “expect”, “pending” and similar expressions identify forward looking statements. However, these words are not the exclusive means of identifying forward-looking statements.

All statements regarding the expected financial position, business strategy, plans and prospects of the Consortium and/or the Group (including statements as to the Consortium’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this document regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Consortium and/or the Group, expected growth in the Consortium and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions.

Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Consortium and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, changes in general political, social and economic conditions, changes in currency exchange and interest rates, demographic changes, changes in competitive conditions and other factors beyond the control of the Consortium and the Group. For further information, please see the documents and reports that the Consortium and/or the Group file with the Singapore Exchange Securities Trading Limited.

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