



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 “**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. had 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**”), and the announcements made on 25 May 2018 and 28 May 2018 in relation to the updates on the reorganisation process.

Letters from Counterparties, including Financial Creditors

Subsequent to the Announcement, the Company and its subsidiaries (the “**Group**”) have received, from time to time, letters of demand, letters notifying of default(s), notices of acceleration of facilities, and reservation of rights letters from various counterparties, including its financial lenders. The Group also has various obligations owed to financial lenders and trade creditors that have fallen due and will fall due from time to time.

The Group is meeting with its bank lenders this week together with advisors to discuss these issues and the reorganisation process. The Group is also continuing discussions with a number of its other key stakeholders, including counterparties to its ongoing projects and trade creditors, and will continue to work with its key stakeholders and advisors to pursue the reorganisation process.

Efforts to Protect the Group's Value

Since the Applications, the Company and its advisors have been working to stabilise the Group and have been taking steps towards improving the Group’s short-term liquidity constraints and other strains on the Group’s finances. The relevant stakeholders are being engaged on steps to be taken to ensure that ongoing projects are completed as scheduled so that the milestone payments are received, which would improve the financial position of the Group.

Concurrently, the Company and its advisors have been engaging in preliminary discussions with interested financiers regarding the provision of funding to the Group and the entry into non-disclosure agreements to further such discussions.



Holder of the Company's shares and securities ("**Holder**") as well as potential investors should note that there is no certainty or assurance that the ongoing discussions with the aforementioned parties will result in any definitive agreements regarding the provision of funding to the Group. The Company will make the appropriate announcements as and when there are any material updates or developments in relation to the foregoing.

Accordingly, Holders are advised to refrain from taking any action in respect of their shares and/or securities (as the case may be) in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares and/or securities of the Company. In the event of any doubt, Holders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
Submitted to SGX-ST on 4 June 2018