



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 announcements made on:

- A. 22 May 2018 in respect of the Hyflux Group’s commencement of a court supervised reorganisation process.
- B. 19 June 2018 that the Company’s subsidiary, Tuaspring Pte Ltd (“**Tuaspring**”), has, as part of the Hyflux Group’s reorganisation process, applied for a moratorium pursuant to Section 210(10) of the Companies Act via HC/OS 731/2018 (“**OS 731**”).
- C. 21 June 2018 that the hearing of OS 731 is to take place on 6 July 2018 at 2.30pm.

The Company wishes to announce that following negotiations with Malayan Banking Berhad (“**Maybank**”), the Company, Tuaspring and Maybank have reached agreement in respect of the process for the divestment of the Company’s interest in Tuaspring’s Integrated Water and Power Project.

Maybank is Tuaspring’s only secured creditor. It has provided Tuaspring with banking facilities which are secured by various collaterals and securities over Tuaspring’s properties and assets, including its Integrated Water and Power Project.

The Company will continue to seek potential investors with a view to divesting its interest in Tuaspring’s Integrated Water and Power Project. The Company is to execute a binding agreement with a successful bidder or investor by 15 October 2018, obtain approval for the transaction from Maybank, the Public Utilities Board and/or the Singapore High Court (if necessary) by 11 December 2018 and obtain the approval of the shareholders by 4 February 2019.

Further, Maybank will be actively involved and engaged in the divestment process. In particular, a valuer will be appointed by Maybank to conduct a valuation exercise of Tuaspring’s Integrated Water and Power Project. Tuaspring will appoint a monitoring accountant and special accountant to monitor its cash flow and to review the divestment process, respectively, with their reports to be shared with Maybank.

In return, Maybank will refrain from commencing enforcement proceedings against Tuaspring or its properties and/or assets, including its Integrated Water and Power Project.

As part of the agreement and in consideration of such forbearance on Maybank's part, Tuaspring has since withdrawn OS 731 on 6 July 2018.

Moving forward, the Company wishes to divest the Hyflux Group's interests in the Tuaspring Integrated Water and Power Project (its largest asset) at its best possible value in order to facilitate the Hyflux Group's wider reorganisation process, and maximise value for all stakeholders, including holders of its preference shares and perpetual securities.

BY ORDER OF THE BOARD

Lim Poh Fong

Company Secretary

Submitted to SGX-ST on 6 July 2018